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PART II

FEDERAL REGISTER

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Uniform System of Accounts for Railroad Companies

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[No. 32153]

PART 10—UNIFORM SYSTEM OF ACCOUNTS FOR RAILROAD COMPANIES

Revision of Regulations

At a session of the Interstate Commerce Commission, division 2, held at its office in Washington, D.C., on the 8th day of November A.D. 1961.

The Commission having under consideration a revision of the Uniform System of Accounts for Railroad Companies and the Notice of proposed rulemaking pertaining thereto, published in the FEDERAL REGISTER August 24, 1961 (26 F.R. 7895) and the responses thereto;

It is ordered, That the Uniform System of Accounts for Railroad Companies, Issue of 1957, as amended (49 CFR Part 10) be and it is hereby canceled in its entirety effective January 1, 1962 and the Uniform System of Accounts for Railroad Companies, Issue of 1962, attached hereto and by this reference made a part of this order, be substituted for the text thereof; and,

It is further ordered, That the Uniform System of Accounts for Railroad Companies, Issue of 1962, shall become effective January 1, 1962, on and after which date all railroad companies subject to its provisions shall comply therewith; and,

It is further ordered, That the adoption of amended rules herein be without prejudice to further consideration of the request of the Transport Associates that the rules be amended to facilitate handling of matters affecting cost finding; and,

It is further ordered, That this order be served on each railroad company subject to its provisions, and on every trustee, receiver, executor, administrator, or assignee of such railroad company, and that notice be given the general public by depositing a copy in the Office of the Secretary at Washington, D.C., and by filing the order with the Director, Office of the Federal Register.

(Sec. 20, 24 Stat. 386, as amended, 49 U.S.C. 20)

By the Commission, Division 2.

[SEAL] HAROLD D. McCOY,
Secretary.

APPLICATION OF THE REGULATIONS

The Uniform System of Accounts for Railroad Companies (which are not independently operated as electric railways), Issue of 1962, which is set forth hereinafter shall become effective as of January 1, 1962. The Uniform System of Accounts for Railroad Companies, Issue of 1957, together with the amendments and modifications of said issue, heretofore in effect, are superseded and canceled concurrently with the taking effect of the Issue of 1962, as herein prescribed.

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7 Elevated structures.
8 Ties.
9 Rails.
10 Other track material.
11 Ballast.
12 Track laying and surfacing.
13 Fences, snowsheds, and signs.
16 Station and office buildings.
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18 Water stations.
19 Fuel stations.
20 Shops and enginehouses.
21 Grain elevators.
22 Storage warehouses.
23 Wharves and docks.
24 Coal and ore wharves.
26 Communication systems.
27 Signals and interlockers.
29 Power plants.
31 Power-transmission systems.
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38 Roadway small tools.
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102 Passenger.
103 Baggage.
104 Sleeping car.
105 Parlor and chair car.
106 Mail.
107 Express.
108 Other passenger-train.
109 Milk.
110 Switching.
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132 Hotel and restaurant.
133 Station, train, and boat privileges.
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202 Roadway maintenance.
206 Tunnels and subways.
208 Bridges, trestles, and culverts.
210 Elevated structures.
212 Ties.
214 Rails.
216 Other track material.
218 Ballast.
220 Track laying and surfacing.
221 Fences, snowsheds, and signs.
227 Station and office buildings.
229 Roadway buildings.
231 Water stations.
233 Fuel stations.
235 Shops and enginehouses.
237 Grain elevators.
239 Storage warehouses.
241 Wharves and docks.
243 Coal and ore wharves.
247 Communication systems.
249 Signals and interlockers.
253 Power plants.
257 Power-transmission systems.
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272 Removing snow, ice, and sand.
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277 Employees health and welfare benefits.
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332 Injuries to persons
333 Insurance.
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335 Employees health and welfare benefits.
336 Joint maintenance of equipment expenses—Dr.
337 Joint maintenance of equipment expenses—Cr.
338 Equalization; equipment.
339 Other expenses.

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350 Traffic.
351 Superintendence.
352 Outside agencies.
353 Advertising.
354 Traffic associations.
355 Fast freight lines.
356 Industrial and immigration bureaus.
357 Insurance.
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359 Employees health and welfare benefits.
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373 Station employees.
374 Weighing, inspection, and demurrage bureaus.
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378 Yard conductors and brakemen.
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380 Yard enginemen.
382 Yard switching fuel.
383 Yard switching power produced.
384 Yard switching power purchased.
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395 Train power produced.
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397 Water for train locomotives.
398 Lubricants for train locomotives.
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409 Employees health and welfare benefits.
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411 Other expenses.
412 Operating joint tracks and facilities—Dr.
413 Operating joint tracks and facilities—Cr.
414 Insurance.
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416 Damage to property.
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418 Loss and damage; freight.
419 Loss and damage; baggage.
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440 Miscellaneous operations.
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442 Hotels and restaurants.
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445 Producing power sold.
446 Other miscellaneous operations.
447 Operating joint miscellaneous facilities—Dr.
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506 Rent from floating equipment.
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508 Joint facility rent income.
509 Income from lease of road and equipment.
510 Miscellaneous rent income.
511 Income from nonoperating property.
512 Separately operated properties; profit.
513 Dividend income.
514 Interest income.
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518 Contributions from other companies.
519 Miscellaneous income.
531 Railway operating expenses.
532 Railway tax accruals.
534 Expenses of miscellaneous operations.
535 Taxes on miscellaneous operating property.
536 Hire of freight cars; debit balance.
537 Rent for locomotives.
538 Rent for passenger-train cars.
539 Rent for floating equipment.
540 Rent for work equipment.
541 Joint facility rents.

542 Rent for leased roads and equipment.
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544 Miscellaneous tax accruals.
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548 Amortization of discount on funded debt.
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550 Income transferred to other companies.
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604 Profit from sale of investment securities.
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612 Debit balance transferred from income.
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621 Appropriations for other purposes.
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702 Temporary cash investments.
703 Special deposits.
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705 Traffic and car-service balances—Dr.
706 Net balance receivable from agents and conductors.
707 Miscellaneous accounts receivable.
708 Interest and dividends receivable.
709 Accrued accounts receivable.
710 Working fund advances.
711 Prepayments.
712 Material and supplies.
713 Other current assets.
715 Sinking funds.
716 Capital and other reserve funds.
717 Insurance and other funds.
721 Investments in affiliated companies.
722 Other investments.
723 Reserve for adjustment of investment in securities—Cr.
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736 Amortization of defense projects; road and equipment.
737 Miscellaneous physical property.
738 Accrued depreciation; miscellaneous physical property.
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742 Unamortized discount on long-term debt.
743 Other deferred charges.

Credit

751 Loans and notes payable.
752 Traffic and car-service balances—Cr.
753 Audited accounts and wages payable.
754 Miscellaneous accounts payable.
755 Interest matured unpaid.
756 Dividends matured unpaid.
757 Unmatured interest accrued.
758 Unmatured dividends declared.
759 Accrued accounts payable.
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761 Other taxes accrued.
763 Other current liabilities.
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766 Equipment obligations.
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773 Equalization reserves.
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782 Other liabilities.
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822 Passenger-train car-miles.

WORK SERVICE

825 Work service car-miles.

considered as held alive and not retired

salvage therefrom if sold; or, if retained,

Sat

REGULATIONS PRESCRIBED

(i) *Regulations prescribed.* Carriers by railroad subject to provisions of the Interstate Commerce Act and not independently operated as electric lines, and each lessor of such a carrier, shall comply with regulations in this part as presented hereinafter.

(ii) *Definitions.*

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued" as applied to funded debt securities or capital stock issued or assumed by the company, means those which have been sold to bona fide purchasers or holders for a valuable consideration (including those issued in exchange for other securities or other property) and such purchasers or holders secured them free from control by the carriers. Also securities issued as dividends on stock.

3. "Actually outstanding" as applied to funded debt securities or capital stock issued or assumed by the carrier means those which have been actually issued and are neither retired and canceled nor reacquired and held by or for the accounting company.

4. "Affiliated companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

5. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

6. "Carrier" as used herein and when not otherwise indicated in the context means any carrier to which this system of accounts is applicable.

7. "Commission" means the Interstate Commerce Commission.

8. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority of minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

9. "Cost of removal" means cost of demolishing, dismantling, tearing down or otherwise removing property.

10. "Debt expense" means all expenses in connection with the issuance and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

11. "Discount" as applied to funded debt securities or capital stock issued or assumed by the carrier, means the excess of the par or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

12. "Ledger value" of property means the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

13. "Minor items of property" means the associated parts or items of which units of property are composed.

14. "Nominally issued" as applied to funded debt securities or capital stock issued or assumed by the carrier, means those which have been signed, certified by trustees, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company.

15. "Nominally outstanding" as applied to funded debt securities or capital stock issued or assumed by the carrier, means those which, after being actually issued, have been reacquired by or for the accounting company under such circumstances which require them to be considered as held alive and not retired and canceled.

16. "Premium" as applied to funded debt securities or capital stock issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par or face value and interest or dividends accrued at the date of sale.

17. "Property retired" means units of property which have been removed, sold, abandoned, destroyed, or which for any cause have been permanently withdrawn from service; also minor items of property not replaced.

18. "Salvage value" means the amount received for property retired or from the salvage therefrom if sold; or, if retained, the amount at which the material recoverable is chargeable to material and supplies account or other appropriate account. When such material is retained and again used by the carrier, the salvage value shall be determined by deducting a fair allowance from current prices of the material as new.

19. "Service life" means the period between the date when property is placed in service and the date of its retirement.

20. "Service value" means the ledger value less the salvage value recovered therefrom.

GENERAL INSTRUCTIONS

1–1 *Classification of carriers.* (a) For the purposes of applying this system of accounts, carriers are divided into two general classes, designated respectively Class I and Class II.

Class I. Carriers having annual railway operating revenues of $3,000,000 or more.

Class II. Carriers having annual railway operating revenues less than $3,000,000.

(b) Both Class I and Class II carriers shall keep the accounts prescribed herein, except that a condensed grouping of primary operating expense accounts is provided for the use of Class II carriers. Class II carriers desiring to do so may maintain the primary accounts prescribed for Class I carriers but must be prepared to combine the accounts for the purpose of making entries in reports filed with the Commission.

(c) In applying the classification grouping to any switching or terminal company which is operated as a joint facility of owning or tenant railways the sum of the annual railway operating revenues, the joint facility rent income, and the totals of the joint facility credit accounts in operating expenses, shall be used in determining its class.

(d) This classification of carriers shall be based on the average annual railway operating revenues for the last three consecutive years; and, if at the close of any calendar year the average of the annual railway operating revenues for the latest 3-year period is greater or less than the amount applicable to the class in which the carrier has been, its class for the second succeeding year shall change accordingly and the carrier shall remain in such class for a period of not less than three consecutive years: *Provided,* That: (1) Carriers which have operated for a period less than three calendar years shall be classified upon the basis of the average of their annual railway operating revenues for the latest period of such operation; (2) newly organized carriers shall be assigned to classes, as above defined, on the basis of their railway operating revenue known or estimated for a year; and (3) carriers shall within 60 days after the close of a calendar year notify the Commission when a change in classification has taken place.

1–2 *Classification of accounts.* (a) Accounts are prescribed to cover cost of property used in transportation operations and operations incidental thereto and for revenues, expenses, taxes, rents, and other items of income for such operations. Separate accounts are prescribed for investment in property not used in transportation operations and for other investments and income therefrom; for unusual profits and losses includible directly in retained income; and for assets, liabilities and capital includible in the balance sheet statement.

(b) The cost of property, and the revenues, expenses, taxes and rents, for miscellaneous operations involving the use of such facilities as hotels, restaurants, grain elevators, storage warehouses, power plants, cold storage plants, etc., shall not be included in the accounts prescribed for transportation operations unless the operation of the facilities is conducted by the railway companies in connection with furnishing transportation services. Likewise, the cost of property, the revenues, expenses, taxes, and rents arising from the operation of stockyards shall not be included in accounts prescribed for transportation operations unless operation of the facilities is conducted in connection with transportation of livestock. It is not intended that cost of property and income arising from incidental public stockyards service rendered by stockyards primarily devoted to transportation services shall be excluded from transportation operation accounts.

(c) Joint facility accounts are provided for the joint users of tracks, bridges, yards, wharves, stations, and other facilities in which to record items in settlement for use of such facilities. When the compensation for the use of facilities is a fixed amount or is based upon a charge per passenger, ton, car or other unit, the amount shall be fairly apportioned by the operating company among the joint facility operating expense and income accounts. The creditor shall show the distribution of these charges upon its bills, and such distribution shall be adhered to by the debtor. Train service in connection with the line haul of traffic, including that operated under a joint arrangement for the benefit of two or more carriers, is not considered a joint facility operation.

(d) All items of profit and loss recognized during the year are includible in net income except nonrecurrring items which in the aggregate for the same class are both material in relation to net income for the year and are clearly not identified with or do not result from usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from net income are those resulting from unusual sales of property and investment securities other than temporary cash investments, from company bonds reacquired, and from delayed items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from income accounts, would distort the accounts and impair the significance of net income for the year so that misleading inferences might be drawn therefrom. Items so excludible, from net income are to be entered directly in the retained income accounts provided for such items.

1–3 *Records.* (a) Each carrier shall keep its books of account, and all other books, records and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

(c) No carrier shall destroy any such books or records unless the destruction thereof is permitted by the Regulations to Govern the Destruction of Records of Railroad Companies.

(d) In addition to prescribed accounts, clearing accounts, temporary accounts, and subdivisions of any accounts, may be kept, provided the integrity of the prescribed accounts is not impaired.

1–4 *Accounting period.* Each carrier shall keep its books on a monthly basis so that known transactions, as nearly as may be ascertained, shall be entered in the accounts not later than 60 days after the last day of the period for which the accounts are stated, except that the time within which the final entries for the year ending December 31 shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of annual report.

1–5 *Accrual method of accounting.* The accounting for operating revenues, operating expenses, income and other items each month and year shall be, as nearly as practicable, upon the basis of accruals consistently applied. Any change in practice of accounting for accruals or any unusual accruals involving material amounts shall be reported promptly to the Commission.

1–6 *Unaudited items.* When it is known that a transaction has occurred which affects operating revenues, operating expenses, income and other accounts but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate income and balance sheet accounts. Such estimate shall be adjusted in the following month or as soon thereafter as the actual amount can be determined. If the estimate is not adjusted in the following month, the amount shall be revised whenever and at the time a substantial change is indicated and the amounts in the balance sheet accounts with respect to such items shall be kept separately in the records until settled and adjusted. The carrier is not required to anticipate items which do not appreciably affect the accounts.

1–7 *Delayed items.* Ordinary delayed items and adjustments arising during the current year which are applicable to prior years shall be included in the same account which would have been charged or credited if the item had been taken up or the adjustment made in the year to which it pertained. When the amount of a delayed item or adjustment is relatively so large that its inclusion in net income for a single month would seriously distort the accounts for the month (but not for the year), such amount may be distributed in equal monthly charges or credits, as the case may be, to the remaining months of the calendar year. *See instruction 1–2(d) for instructions covering delayed items of a nonrecurring*

not known) shall be transferred to the

nature which are includible directly in retained income accounts.

1–8 *Operating reserves.* Accretions to reserve accounts made by charges to operating expenses, operating revenues, or income shall not exceed a reasonable provision for expenses or other costs incurred during the accounting period. Balances for each year in each reserve account shall be kept separately until the items have been settled and adjusted and amounts shall not be diverted from the purpose for which provided unless permission of the Commission is first obtained.

1–9 *Employees health and welfare benefits.* (a) A primary account is prescribed in each of the general accounts in operating expenses in which to record premiums on group insurance policies for the benefit of officers and employees and other costs of employees health and welfare benefits whether under contract arrangements with labor organizations or otherwise. The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, Pensions.

(b) The insurance premiums and other expenses that are directly or naturally assignable to primary accounts prescribed under each general account shall be distributed to such accounts. Premiums on policies and expenses incurred for the benefit of officers or employees who work in more than one department or perform more than one class of service shall be apportioned to the appropriate primary accounts in the same ratio as their pay is distributed to primary accounts, or may be distributed on some other equitable basis. Small amounts applicable to time spent on incidental or occasional duties may be included in the primary account appropriate according to the regular duty or predominant work assignment of the employees.

1–20 *Items in texts of accounts.* The items appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The items are intended to be representative, but not exhaustive. The appearance of an item in the text of a primary account warrants the inclusion of the item in the account mentioned only when the whole text also indicates inclusion inasmuch as the same item frequently appears in more than one primary account. The proper entry in each instance must be determined by the whole text of each primary account.

1–21 *Submission of questions.* To maintain uniformity of accounting, carriers shall submit questions of doubtful interpretation to the Commission for consideration and decision.

INSTRUCTIONS FOR PROPERTY ACCOUNTS

2–1 *Items to be charged.* (a) To the road and equipment property accounts shall be charged the cost of purchasing land, the cost of purchasing and constructing buildings, facilities and equipment, and the cost of additions and betterments to property. "Cost" means the amount of money actually paid for property or services. When the consideration given for the property is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of capital stock in reorganization or a merger and pooling of interest, the value of the consideration shall be determined on a cash equivalent basis. The carrier shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than money.

(b) Suitable records shall be maintained showing expenditures during the year for original road and equipment and road extensions; for merger and purchase of existing lines and reorganizations; for additions and betterments; and credits for property retired.

2–2 *Minimum rule applicable to additions to property.* An exception to the rule in instruction 2–1 is that when the cost of acquisition of units of road property and of additions and betterments to existing units of road property (other than land or tracks) is less than $500.00, such cost shall be charged to operating expenses. The carrier shall not parcel expenditures under a general plan for the purpose of bringing the accounting for such expenditures within this minimum rule. An amount of less than $500.00 may be adopted for purposes of this rule provided the carrier first notifies the Commission of the amount it proposes to adopt and thereafter makes no change in the amount unless authorized to do so by the Commission. An amount so adopted shall be adhered to in reporting property changes for valuation purposes.

2–3 *Land.* Accounts are provided for the cost of land used in transportation operations and also for land used in other than transportation operations. When land is retired from transportation operations but is retained by the carrier the original cost (estimated, if not known) shall be transferred to the account prescribed for property used in other than transportation operations. It is not contemplated that irregular parcels of land acquired in connection with acquisition of right of way which have no value as commercial property shall be thus transferred, either for the purpose of making right of way boundaries run more or less regular or for the purpose of eliminating from transportation property account the cost of unoccupied lands between tracks in yards and terminals. When any land, the cost of which is included in the accounts, is sold or otherwise retired, the ledger value shall be credited to the appropriate property investment account. The profit or loss from sale or loss from retirement of land shall be included in the accounts prescribed for such amounts.

2–4 *Structures.* Accounts are provided for the cost of several classes of buildings and facilities, including fixtures permanently attached to and made a part thereof. When a building or other structure is used or held primarily for transportation operations and is an integral part of the carrier's transportation plant, but a part thereof is used or held for commercial purposes such as for rental to others or for use in other than transportation operations by the carrier, the entire cost of the building or other structure is includible in the accounts for transportation property. When a building or other structure is used or held primarily for commercial purposes or for use in other than transportation operations by the carrier, the entire cost of the building or structure is includible in account 737, "Miscellaneous physical property". Reclassification of property from its primary classification as transportation or other than transportation property, as the case may be, to the other classification is not required where changes in use are of a temporary nature or for a short period of time. The accounting for costs of maintenance, taxes, other operating costs, and for revenues and rentals shall be consistent with the classification of the building or other structure.

2–5 *Equipment.* Accounts are provided for several classes of equipment, such as locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures

first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions and betterments, such as improved appliances, parts, or appurtenances. In case retired equipment is held without being torn down, the estimated value of the salvage therefrom shall be included in account 741, "Other assets", until the salvage is recovered, except that the estimated scrap value of retired equipment held for sale in the ordinary course of business, and on which sale and realization of the proceeds within one year is assured, is includible under current assets.

2–6 *Components of construction cost.* The cost of constructing property includible in the property accounts shall include the direct and other costs as described hereunder.

(a) *Cost of labor.* This includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, buildings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are especially assigned to construction work their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the pay of officers and employees who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers and employees solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) *Cost of materials and supplies.* This includes the purchase price of materials and supplies, including small tools, at the point of free delivery plus the cost of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) *Cost of work-train service.* This includes amounts paid to others for rent and maintenance of equipment used; cost of labor of enginemen, trainmen, and enginehousemen, including wages of engine crews and train crews held in readiness for such service; and cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment used in construction service. Amounts representing constructive rent or return upon the investment in owned equipment shall not be included as a part of the cost of work-train service.

(d) *Cost of special machine service.* This includes the cost of labor expended and of materials and supplies consumed in maintaining and operating power shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines.

(e) *Cost of transportation.* This includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material.

(f) *Cost of contract work.* This includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) *Cost of protection from casualties.* This includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure incurred directly in connection with construction work.

(h) *Cost of injuries and damages.* This includes expenditures on account of injuries to persons or damage to property when incurred directly as a result of construction projects, and shall be included in the cost of the work in connection with which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to operating expenses, except that such costs in connection with the removal of old structures which are incumberances on newly acquired lands shall be included in account 2, "Land for transportation purposes," or 3, "Grading", as may be appropriate.

(i) *Cost of privileges.* This includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

(j) *Material excavated.* The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

2–7 *Additions to and retirements of property—General.* (a) In accounting for additions to and retirements and replacements of road and equipment property (excluding land) used in transportation operations, such property changes shall be considered as consisting of (1) units of property and (2) other than units of property (minor items). A list of units of property to be used for this purpose is prescribed in instruction 2–18.

(b) The cost of removal of retired property, both depreciable and other than depreciable, when borne by the carrier, shall be charged, as may be appropriate, to account 270, "Dismantling retired road property", account 306, "Dismantling retired shop and power plant machinery"; or account 329, "Dismantling retired equipment."

(c) An equitable proportion of any balance in primary accounts 1, and 72 to 80, both inclusive, applicable to retired property, shall be credited to those accounts concurrently with the retirement accounting.

2–8 *Additions to and retirements of units of property.* (a) When a unit of road or equipment property is added to the plant, the cost thereof shall be included in the appropriate primary account. When a unit of property is retired, with or without replacement, the cost thereof shall be written out of the property account at time of retirement.

(b) When a unit of road or equipment property (or a minor item not replaced) classified as depreciable and included in the accounts prescribed for depreciable property is retired the service value shall be charged to account 735, "Accrued depreciation—Road and equipment."

(c) When property (other than a minor item constituting repairs) classified as other than depreciable property is retired the cost thereof shall be cleared from the property account and the service value shall be charged to account 267, "Retirement—Road," except that, the service value, when material in amount, in connection with retirement of a branch line, segment of track, or other important facility constituting a permanent reduction in plant may be charged to account 613, "Loss on sale or retirement of property," if so authorized by the Commission.

(d) When property included in the depreciable accounts but excluded from the depreciation base is retired, the service value (including engineering expenditures assignable to the retired property but not included in the depreciation base) shall be charged to operating expense.

2–9 *Additions and retirements of other than units of property.* (a) When an item of road or equipment property, other than a complete unit, is added to the plant and the addition is not a replacement, the cost thereof shall be ac-

tracks may be dismantled in the process, with the accounting rules of the Com-

rials and supplies, including small tools, at the point of free delivery plus the cost of inspection and loading assumed by

witness fees in municipal corporations and paid to municipal corporations and others for fire protection, and other

purpose is prescribed in instruc-

counted for in the same manner as an addition of a complete unit of property, subject to the $500 minimum rule applicable to road property. When an item of property other than a complete unit (minor item) is replaced, independent of the complete unit of which it is a part, the cost of replacement shall be treated as maintenance and charged to operating expenses; except that, when the replacement effects a substantial betterment through the application of superior parts, the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity, the excess cost of new parts over the current cost of new parts of the kind replaced shall be charged to the appropriate primary property account. The cost of removing the old appliances and applying the improved parts shall be charged to operating expenses. (See instruction 2–8(b) covering retirement of a minor item not replaced.)

(b) The term "current cost of new parts of the kind replaced" shall not be construed as requiring an estimate based on the current price of parts or material identical with the parts or material replaced when such parts or material are no longer obtainable at reasonable price or would not be used if replacement without betterment were undertaken. In such cases the current cost shall be based on the fair and reasonable cost of parts or material comparable to those being replaced.

(c) When second-hand equipment acquired is in such physical condition that it is necessary to make extensive repairs to bring it up to the standard required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment.

2–10 *Expenses in connection with additions and betterments.* The cost of removing old material from equipment and from buildings, bridges, wharves, tracks, and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

2–11 *Units of property rebuilt or converted.* (a) A unit of road property or equipment shall be treated as rebuilt or as converted in the circumstances described in the following paragraphs (b) and (c) of this instruction and such unit shall be accounted for as an addition and the old unit accounted for as retired from service.

(b) When the cost of renewals of a unit of road property or equipment, exclusive of the expense of dismantling and of repairs of old parts reused, exceeds fifty percent of the cost of a new unit of the same kind and class at that time. This rule does not apply to renewal of a unit of roadway property when the replacement cost new does not exceed $35,000.

(c) When a unit of road property or equipment is transferred from one class of service to another, with or without physical conversion, and becomes includible in a prescribed primary investment account other than that in which the unit previously has been carried.

(d) The charge to the appropriate road and equipment account for rebuilt or converted units shall be the sum of (1) the cost (estimated if necessary) less a fair allowance for depreciation or the salvage value, whichever is lower, of the parts reused and (2) the cost of labor expended in rebuilding or in the conversion process and the cost of additional material applied. In no case shall the total amount charged to the property accounts for such units exceed the estimated cost of units of the same kind and class with a fair allowance for depreciation.

2–12 *Changes in line of road.* When changes are made in a line of road for the purpose of reducing curves or grades, or to eliminate bridges, tunnels, or other physical features, the part of the line so changed shall be considered property retired and its ledger value credited to the property accounts. The new line of road, including land, grading, ballast, track elements, and other transportation facilities serving the road shall be considered an addition and the cost thereof to the carrier charged to the property accounts. The cost of such track changes which do not involve change in the existing roadbed shall be charged to operating expenses, even though the tracks may be dismantled in the process, but the resulting track extensions or reductions shall be accounted for as additions or retirements, as appropriate, and the betterment cost of improved parts applied shall be charged to property account.

2–13 *Relocation of yard tracks.* The cost of shifting or rearranging tracks within a yard shall be charged to operating expenses, even though the tracks may be dismantled in the process, but resulting increases or decreases in grading, ballast, or track length shall be accounted for as additions or retirements, as appropriate, and the betterment cost of improved parts applied shall be charged to the property accounts. Where tracks in whole or in part within a yard are determined to be no longer permanently used the ledger value of such tracks shall be eliminated from the property account. In case yard tracks and facilities are constructed in another location to take the place of tracks retired, such tracks and facilities shall be accounted for as additions and the cost thereof shall be included in the property account.

2–14 *Merger, consolidation, and purchase of a railway operating entity or system.* (a) When a railway or portion thereof constituting an operating unit or system is acquired by merger or consolidation in a pooling of interests or by purchase the cost of acquisition represented by cash, capital stock or other securities issued or assumed, liabilities assumed, and other consideration, shall be recorded in the accounts in the manner stated hereunder. Separate instructions are provided for a merger of subsidiaries.

(b) Pooling of interests:

(1) When the acquisition results from a merger or consolidation constituting a pooling of interests, in which all or substantially all of the equity interests in predecessor companies continue, as such, in a surviving company or a new company created for the purpose, the road and equipment, the other assets, and the liabilities of the predecessor companies, together with the balances in the amortization and depreciation reserves and the retained income accounts shall be recorded in the appropriate balance sheet accounts at the amounts shown in the accounts of predecessor companies, adjusted as may be necessary to conform with the accounting rules of the Commission. Such adjustments shall be included in retained income or the other accounts that would have been appropriate had the adjustments been made in the books of account of the predecessor company. In connection with such adjustments suitable provision may be made out of retained income, to the extent available, to provide reserves for any deficiency in past accrued depreciation on property classified as depreciable.

(2) When the total par or the stated value of no par capital stock issued or outstanding pursuant to the pooling of interests is *more* than the aggregate amount of the capital stock of the separate companies before such pooling of interests, the excess shall be charged to capital surplus, if unrestricted capital surplus is available for such purpose; otherwise, the excess shall be charged to retained income.

(3) When the total par or stated value of no par capital stock issued or outstanding pursuant to the pooling of interests is *less* than the aggregate amount of the capital stock of the separate companies before such pooling of interests, the difference for reduction in capital stock shall be credited to account 795, "Paid-in surplus."

(4) Where the equities of the stockholders of one of the constituent corporations (except subsidiaries controlled through ownership of the majority of shares of voting stock) are clearly dominant and such stockholders obtain approximately 90 percent or more of the voting interests in the combined enterprise, the transaction, as a practical matter may, when specifically authorized by the Commission, be treated as a purchase (rather than a pooling of interests) and so accounted for in accordance with paragraph (c) of this instruction.

(c) Purchase:

(1) When the acquisition results from a purchase (except from subsidiaries controlled through ownership of the majority share of voting stock) including mergers or consolidations other than pooling of interests, the amount includible in account 731, "Road and equipment property", shall be the cost at the date of acquisition to the purchaser, of the transportation property acquired. Other assets acquired or liabilities assumed shall be recorded in the appropriate balance sheet accounts

in conformity with the accounting rules of the Commission, and shall include provision for liabilities awaiting settlement and for such reserves as may be necessary.

(2) When the costs of individual units or classes of transportation property are not specified in the agreement the total purchase price shall be apportioned equitably among the appropriate primary accounts using, as far as practicable for purpose of such apportionment, the percentage relationship between such purchase price and original cost of property shown in valuation records prepared in accordance with the orders of the Commission. In the distribution of the purchase price to primary accounts, on the basis of such apportionment the cost figures used for land shall be the cost reported in basic valuation reports under valuation order No. 7. Land reported without cost in order No. 7, except land donated, shall be computed at its estimated original cost; and to such sum shall be added the original cost at time of dedication to transportation purposes of land subsequently acquired and now so used.

(d) Merger of subsidiaries:

The acquisition and merger of property of subsidiaries controlled through ownership of the majority shares of voting stock is to be accounted for as a pooling of interests or as a purchase depending on the circumstances in each case. Where control was initially acquired through issuance of capital stock to stockholders of the subsidiary the rule applicable to pooling of interests ordinarily is applicable. Where control was initially acquired through *purchase* of stock the rule applicable to purchase of property may be appropriate even though the shares were purchased gradually from time to time over a period of years, in which event recognition of surplus since date of acquisition assignable to such shares may be proper. Journal entry pertaining to acquisition of property of subsidiaries shall be submitted to the Commission for consideration based on the principles herein and procedures for which there is authoritative support, and the accounting for the merger shall become final only after approval by the Commission.

(e) Disposition of account 733, "Acquisition adjustment":

(1) Amounts carried temporarily in former account 733, "Acquisition adjustment," canceled as of January 1, 1962, attributable to past mergers, consolidations, and purchases of property shall be cleared from that account and disposed of consistent with the principles in paragraphs (a) to (d) of this instruction 2–14; except that where the primary road and equipment accounts previously have been adjusted to original cost shown in the valuation records and past depreciation has been recorded such accounting is not to be reversed, unless otherwise authorized or directed by the Commission. In applying these instructions to the amount in former account 733, "Acquisition adjustment," attributable to a merger in a pooling of interests, as described in paragraph (b) (1) of this section, credits resulting from any increase that was made in the recorded cost of road and equipment property, based on original cost shown in the valuation records, in excess of the predecessor's book cost are to be included in account 80, "Other elements of investments;" reduction in the aggregate amount of capital stock is to be included in account 795, "Paid-in surplus," consistent with paragraph (b) (3) of this instruction; and the remainder of the amount is to be included in retained income account 606, "Other credits to retained income," consistent with paragraph (b) (1), (2) and (4) of this instruction, unless some special adjustment is now found to be necessary in conformity with the general principles in those paragraphs. Amounts carried temporarily in former account 733, "Acquisition adjustment," applicable to a purchase (as distinguished from a merger and pooling of interests), are to be transferred to account 80, "Other elements of investment." Journal entries transferring amounts from former account 733, "Acquisition adjustment," shall be submitted to the Commission with suitable supporting detail for consideration and shall become final only after approval by the Commission. In an unusual situation where an amount in former account 733, "Acquisition adjustment," cannot be disposed of under the provisions of instructions in this paragraph the details of such an item shall be submitted to the Commission for consideration and decision.

(2) In clearing former account 733, "Acquisition adjustment," pursuant to paragraph (e) (1) of this instruction provision may be made for any deficiency in depreciation reserve and also for such other items as may be specifically authorized or directed by the Commission. Amounts transferred to account 80, "Other elements of investment," are to be subsequently cleared as items of property are retired from service and in other ways as provided for in instructions in the text of that account.

2–15 *Reorganization of railway.* (a) When a railway reorganization or receivership has been consummated the assets acquired, liabilities assumed, and the capital stock or other securities issued, or assumed and other consideration, shall be recorded in the accounts in the manner stated hereunder. An adjustment of capitalization resulting in modification and reformation of classes of securities pursuant to voluntary action of the holders of securities but not resulting in a formal reorganization following a bankruptcy or other receivership proceedings (sometimes called a quasi-reorganization) is not covered by this instruction 2–15. Reduction of capital stock and other contributions to capital by stockholders shall be recorded in accordance with the instructions in the text of account 795, "Paid-in surplus."

(b) The amounts includible in primary road and equipment property accounts, except land, shall be recorded at original cost (estimated in part) as shown in the Commission's valuation records. Land shall be recorded at cost reported in basic valuation reports under valuation order No. 7. Land reported without cost in order No. 7, except land donated, shall be computed at its estimated original cost; and to such sum shall be added the original cost at time of dedication to transportation purposes of land subsequently acquired and now so used. The cost of land so computed and the remaining assets and the liabilities of the predecessor companies, adjusted as may be necessary to conform with the accounting rules of the Commission, together with the balances in the amortization and depreciation reserves, shall be recorded in the appropriate balance sheet accounts.

(c) When the amount recorded for assets acquired is *more* than the par or stated value of no par capital stock issued and other consideration paid, including liabilities assumed, the difference shall be applied to such extent as may be necessary and is available to provide reserves, first, for any deficiency in past accrued depreciation on property classified as depreciable; and, second, for any estimated loss from retirement of a branch line, segment of track or other important facility indicated by supporting records to be imminent. The remaining amount of the difference, if any, shall be credited to account 80, "Other elements of investment". The amount so credited to account 80 shall be cleared thereafter as property is retired and otherwise as may be authorized in accordance with the provisions in the text of that account.

(d) When the amount recorded for assets acquired is *less* than the par or stated value of no par capital stock issued and other consideration paid, including liabilities assumed, the difference shall be charged to account 80, "Other elements of investment," and shall thereafter be cleared in accordance with the provisions in the text of that account.

(e) Amounts carried temporarily in former account 733, "Acquisition adjustment", attributable to a past reorganization shall be included in account 80, "Other elements of investment," or otherwise disposed of in conformity with the principles set forth in paragraphs (a) to (d) of this instruction 2–15. Any amount attributable to past reorganizations which cannot be disposed of pursuant to these provisions shall be submitted to the Commission for consideration and decision.

2–16 *Construction projects in which governmental agencies, individuals, or others, and the carrier participate.* (a) The amount includible in the property account for construction projects in which the carrier and governmental agencies, individuals, or others participate shall be (1) the payment made by the carrier for its share of the cost of construction plus (2) the recorded cost (estimated if unknown) of property relinquished as a direct result of the arrangement and retired from service less the value of salvage recovered therefrom by the carrier and less depreciation accrued on depreciable property, which is part of the carrier's cost of the project. The amount so includible in the prop-

dam, a revetment, mattress, pipe or other

Pumping machinery. Each complete

erty account shall be distributed equitably among the primary accounts applicable to railway property constructed. This amount shall first be applied to railway facilities includible in accounts *other than* 2½, "Other right-of-way expenditures", or 39, "Public improvements—Construction", then any remaining balance shall be included in account 2½ or 39, as appropriate. In no case shall the amount included in the primary accounts for the railway facilities acquired exceed the actual cost of constructing such facilities. The property account shall not include any cost or value for facilities or land contributed or paid for by governmental agencies, individuals or others. Property acquired as a specific contribution to capital by stockholders does not come under this rule. (See text of account 795, "Paid-in surplus.")

(b) Construction projects as used in this section means widening of highways, construction of spillways, drainage canals, farm and other private passes, pipelines, drains or other facilities across the right-of-way; construction of overhead highway bridges, and railroad bridges over public highways and across streams, which provide a railroad use in the operation of trains and a public use in the uninterrupted passage of highway and river traffic; installation of warning signals to protect highway traffic; and industrial side tracks. Also, reconstruction and relocation of tracks and appurtenant facilities such as occur in connection with carrying out flood control, reclamation, and other public improvement projects where it becomes necessary to abandon part of the line of railroad and relocate the tracks.

(c) Balances carried in former account 734, "Donations and grants—Cr."; shall be cleared. In making such clearance, amounts representing donations for property now in service, the cost of which is included in property investment account, shall be credited to the property investment account. Any balance remaining in former account 734, "Donations and grants—Cr.", which cannot be disposed of pursuant to this provision shall be promptly submitted to this Commission, with carrier's recommendations, for consideration and decision. Amounts (credits) in account 796, "Other capital surplus", representing donated property retired shall be transferred to account 798, "Retained income—Unappropriated".

2–17 *Leased property improvements and retirements.* The cost to lessee of structures, facilities, additions and betterments on leased property and for retirement of property the cost of which is included in account 732, "Improvements on leased property", shall be accounted for in conformity with the principles in the instructions for property *owned.* When property taken over in the lease is retired and replaced and lessee is not obligated to reimburse the lessor for the retired property other than through the replacement, the lessee shall credit the ledger value of the retired property to account 732, "Improvements on leased property", as an offset to the cost of the replacement borne by lessee and charged to that account. When lessee is obligated to reimburse the lessor currently or at the termination of the lease for property retired other than through replacement, the lessee shall include the amount of the obligation in the appropriate liability account. The lessee shall furnish the lessor such information as is required to enable the lessor to perform necessary accounting. The accounting by the lessee and the lessor shall be consistent with contractual arrangements.

2–18 *Lists of units of property.* (a) This list of units is established for the purpose of designating the units of property to be used in accounting for additions to and retirements and replacements of property. Detailed information is included in instructions 2–7 and 2–8. Items listed under road property accounts are subject to the minimum rule applicable to additions to property. See instruction 2–2 pertaining to the minimum rule.

(b) This list of units will be revised from time to time as may be necessary to meet conditions. A carrier desiring to include in any account an appropriate unit not now specified therein may, upon approval of the Commission, make such authorized addition to this list of units.

(c) Rules applicable to units of property rebuilt or converted and to changes in line of road or tracks which involve accounting for units of property retired are set forth in instructions 2–11, 2–12, and 2–13.

Account 3, Grading

A retaining wall, riprap (hand placed), a protecting dyke, a protecting crib, a wing dam, a revetment, mattress, pipe or other structures to provide drainage. Each entire installation.

Account 5, Tunnels and Subways

The entire masonry, entire timber, and entire metal lining of a tunnel or subway, including portals and wing walls.
Drainage. Each entire installation.
Lighting. Each entire installation.
Ventilation. Each entire installation.

Account 6, Bridges, Trestles and Culverts

A steel superstructure.
A concrete or stone substructure.
A concrete trestle, a complete bridge or approach.
A timber trestle, a complete bridge or approach.
Complete machinery for operating a movable span.
A protecting dyke, a protecting crib (a fender), a wing dam, a complete culvert. Each entire installation.

Account 7, Elevated Structures

Any applicable units listed under account 6, "Bridges, trestles, and culverts".

Account 13, Fences, Snowsheds, and Signs

A complete snowshed.
One continuous mile of right-of-way fence.
One continuous mile of permanent sand or snow fence.

Account 16, Station and Office Buildings

A complete building, including attached platform.
A complete platform structurally detached from a building.
Each retaining wall installation.
Each timber trestle installation.
Each coal pocket installation.
Each outside steam, water, air, etc., pipe line installation.
Each storm or sanitary sewer installation.
A complete fence.
Paving. Each complete installation.
A station stockyard. Each complete installation.
A track scale.
A track scale pit.
An outside crane or conveying system for handling freight.
A motor truck.
A motor tractor.
Any applicable units listed under other accounts.

Account 17, Roadway Buildings

Any applicable units listed under account 16, "Station and office buildings", and 44, "Shop machinery".

Account 18, Water Stations

A complete water supply piping system.
A dam or reservoir.
A pump house.
Pumping machinery. Each complete installation.
A water tank. Each complete installation.
A complete track trough at one location.
A water crane. Complete with pit.
A water treating plant.

Account 19, Fuel Stations

A trestle-type coaling station.
Mechanical coaling station. Each complete installation.
A complete fuel supply system, including appurtenances.
A pump house.
A fuel oil storage tank (large).

Account 20, Shops and Engine Houses

A complete building, including attached platform.
A complete platform structurally detached from a building.
A turntable.
A turntable pit.
A transfer table with machinery.
A transfer table pit.
A cinder pit. Each complete installation.
A sand storage and handling and drying apparatus.
Outdoor bins. Each complete installation.
A smoke stack not mounted on boiler.
A lorry track system (outside).
A boiler washing plant. Each complete installation.
An overhead crane, outside.
Each outside pipe installation, steam, air, water, etc.
Each sewer installation, storm or sanitary.
Paving. Each complete installation.
Each shop fence or wall installation.
Any applicable unit under account 16, "Station and office buildings".

Account 21, Grain Elevators

A complete building, including attached platform.
A complete platform structurally detached from a building.
A conveyor system complete.
An elevator system complete.
A blowing system complete.
For additional items see accounts 16, "Station and office buildings", and 44, "Shop machinery".

Account 22, Storage Warehouses

A complete building, including attached platform.
A complete platform structurally detached from a building.
For additional items, see accounts 16, "Station and office buildings", and 44, "Shop machinery".

Account 23, Wharves and Docks

A timber float bridge.
A steel float bridge.
A wharf (including pile clusters).
A timber incline.

A bulkhead.
Jetties or breakwater.
Ferry racks (including pile clusters).
Float racks.
Each complete machinery installation.
For additional items, see accounts 3, "Grading", 6, "Bridges, trestles, and culverts", and 44, "Shop machinery".

Account 24, Coal and Ore Wharves

Car dumper complete.
Timber bridges.
Steel bridges.
Each complete machinery installation.
A loading or unloading machine complete.
Each coal or ore pocket installation.
For additional items, see accounts 6, "Bridges, trestles, and culverts", 16, "Station and office buildings", 20, "Shops and engine houses", 23, "Wharves and docks", and 44, "Shop machinery".

Account 26, Communication Systems

A complete mile section or complete installation if less than a mile of pole line including cross arms, wires and appurtenances.
Each mile or complete installation of cable with associated parts.
Each mile or complete installation of conduit with associated parts.
A complete tower.
A complete installation at each location constituting a separate means of communication, such as radio, radar, carrier telephone, teletype, or other communication systems.
For additional items see account 16, "Station and office buildings".

Account 27, Signals and Interlockers

A signal system installation complete, or section thereof, with associated parts, including masts, batteries, relays, ladder, etc.
A complete mile section or complete installation if less than a mile, or pole line including cross arms, wires and appurtenances.
Each mile or complete installation if less than one mile of cable with associated parts.
Each mile or complete installation if less than one mile of conduit with associated parts.
Switch movement with associated parts.
A complete building.
An interlocking plant complete (excluding machine).
An interlocking machine.
Signal bridge complete.
Each highway crossing protection installation complete.
Each car retarder installation complete.
A traffic control or C.T.C. system installation complete.

Account 29, Power Plants

Any applicable units listed under accounts 16, "Station and office buildings", and 20, "Shops and enginehouses".

Account 31, Power Transmission Systems

A continuous mile, or a separate installation if less than a mile, of catenary complete including catenary hangers, trolley wire and appurtenances.
A continuous mile, or a separate installation if less than a mile, of transmission line, including poles, wires, transformers, switches, and other appurtenances.
Each outside steam, air, etc., pipe line installation.
A manhole.
Substation or switching station complete.
Each mile, or installation if less than a mile, of third rail.
A catenary bridge or support.
A high-tension transmission tower.
Any applicable units listed under accounts 26, "Communication systems", and 27, "Signals and interlockers".

Account 35, Miscellaneous Structures

Any applicable units listed under other accounts.

Account 37, Roadway Machines

Each roadway machine complete including accessories.

Account 39, Public Improvements—Construction

Any applicable units listed under other accounts.

Account 44, Shop Machinery

A machine (including foundation and motor, if any), such as lathes, shapers, slotters, boring machines.
Equipment, such as ash handling.
A furnace.
A boiler installation complete.
A motor vehicle used in shops only.
Testing equipment.
Overhead crane, complete.

Account 45, Power Plant Machinery

A power plant machine, including foundation, such as a turbine, rectifier, dynamo, generator.
Any applicable unit listed under account 44, "Shop machinery".

Account 51, Steam Locomotives

A complete locomotive.
A locomotive, exclusive of tender.
A tender.
A locomotive booster.

Account 52, Other Locomotives

Diesel electric, lead or booster, i.e., "A" or "B" units.
Diesel electric. Extra or spare motors.
Electric locomotive.
Gasoline locomotive.
Gas turbine locomotive.

Account 53, Freight-Train Cars

A complete car.
Motor equipment of a motor driven car.
A propulsion motor including generator.
A freight container, complete.

Account 54, Passenger-Train Cars

A complete car, including interior furnishings.
Motor equipment of a motor driven car.
A propulsion motor, including generator.

Account 56, Floating Equipment

A complete vessel or boat, exclusive of machinery.
Machinery: a boiler, a motor, an engine.

Account 57, Work Equipment

(a) Rail equipment:
(1) A complete car or machine.
(2) A boiler.
(3) An engine.
(4) A motor.
(5) Machinery equipment (with or without tractive machinery) such as concrete mixer, snow plow, derrick, steam shovel, or pile driver.
(6) A complete motor equipment.
(b) Floating equipment—Work:
(1) A complete vessel or boat.
(2) A boiler.
(3) An engine.
(4) A motor.
Any applicable units listed under other accounts.

Account 58, Miscellaneous Equipment

A complete vehicle.

"Shops and enginehouses".

Motor equipment of a motor driven car,

INSTRUCTIONS FOR MAINTENANCE EXPENSES

3–1 *Items to be charged.* (a) The accounts provided for maintenance of road property and of equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in transportation operations, including expenses resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, fire, flood, or other casualty.

(b) These accounts shall include the cost of labor, materials and supplies, work-train service, floating equipment work service, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of the plant used in railway service. The cost of materials and supplies, which shall include small tools, shall include the cost at the point of free delivery plus freight charges of foreign lines, and the costs of inspection and loading assumed by the carrier; also a proportion of store expenses. Such cost shall not include expenses of transportation over the carrier's line. Royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs. The cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable, except where otherwise specified in the text of the accounts. In calculating the cost of materials used proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from property repaired and from temporary tracks, scaffolding, cofferdams, and other temporary structures used in repair work.

(c) The cost of repairs shall include the cost of inspecting to determine the repairs necessary, and of adjusting or repairing parts, both of road property and of equipment, such as the repairing of locomotives, cars, frogs, switches, rails, etc.; the cost of inspecting and testing after repairs have been made such as the testing of locomotives after repairs to determine whether the repairs have been properly made, and the running of repaired locomotives light in order to break them in for regular service; incidental costs of repairs, such as the construction or removal of false work in connection with maintenance, cost of demolishing retired road property and disposing of the wreckage therefrom when the property is dismantled by or for the carrier; cost of maintaining or protecting traffic during the progress of construction work, including the cost of constructing, maintaining and removing temporary tracks required for maintaining traffic during the progress of the work; cost of mowing and beautifying grounds around buildings; repairing fences, sidewalks, driveways, and streets within or adjacent to such grounds; cost of removing snow from roofs of buildings (when not removed by those employed in the buildings); cost of periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of operating hothouses in connection with the work of beautifying grounds; and cost of clearing and removing casual incumbrances, such as ice, snow, and fallen timber.

(d) Distinct maintenance accounts have been provided for expenses of a general character, such as superintendence, stationery and printing, and injuries to persons, which, on account of established practice, it is deemed advisable to segregate.

3–2 *Equalization of maintenance expenses.* (a) The cost of maintaining way and structures and equipment shall be included in the appropriate primary accounts in the month in which the expense is incurred. In case the carrier adopts a budget or estimate for all or a part of the calendar year of expenses includible in one or more primary maintenance accounts or for the general accounts 200, "Maintenance of way and structures", and 300, "Maintenance of equipment", an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 280, "Equalization—Way and structures", or account 338, "Equalization—Equipment", with contra entries in account 773, "Equalization reserves". If certain primary accounts only are budgeted the carrier's records shall show for amounts included in the equalization accounts the amount of the equalization assignable to each such primary account.

(b) Amounts included in account 773, "Equalization reserves", in accordance with the foregoing paragraph, shall be cleared therefrom at the close of each calendar year through the equalization accounts originally charged or credited.

INSTRUCTIONS FOR CLEARING ACCOUNTS

4–1 *Items to be charged.* In recognition of the fact that certain expenditures incident to the construction and the operation of property are not chargeable directly to any particular property investment or expense account, clearing accounts have been provided for the purpose of securing an equitable distribution of such items to the proper primary accounts, as hereinafter set forth.

4–2 *Material and stationery store expenses.* (a) To clearing accounts called "Material store expenses" and "Stationery store expenses" shall be charged expenses in connection with purchasing, handling and storing material and stationery in and distributing it from the company's storehouses, including the pay of officers and employees in the purchasing and store departments and their traveling, office, and other expenses; also expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to the service of switching at material storehouses. (Expenses of incidental switching at material yards by locomotives in regular switching service shall be charged to the appropriate transportation accounts.) The pay and expenses of men employed in purchasing or inspecting a single class of material, such as ties, shall be added as store expenses to the cost of that particular material.

(b) The total amount of storehouse expenses charged to these accounts shall be so distributed among the accounts to which material and stationery has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the items issued chargeable thereto, except that the amount representing the purchasing department expenses shall be apportioned on the value of the items issued which were purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material and stationery purchased or issued, carriers may make a monthly apportionment on the basis of fair percentage rates, provided the store expense accounts are adjusted and closed out at the end of each year.

4–3 *Shop expenses.* (a) A clearing account entitled "Shop expenses" shall be kept to which shall be charged items of expense at shops, enginehouses, repair tracks, and other places at which mechanical work is done, not assignable directly to specific accounts. Such expenses shall be apportioned among the various accounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to "Shop expenses" bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, carriers are permitted to make the monthly apportionment on the basis of a percentage of the distributed labor, provided the shop expense account is adjusted and closed out at the end of the year.

(b) The expenses assignable to this account shall include the pay of foremen (who exercise supervision over all departments), their clerks, and other employees engaged in general work in and about shops, cost of heat, light and power; cost of small tools and supplies and water and power purchased; also cost of removal of snow and ice from transfer tables and shop yards, and other incidental shop expenses. To this account shall be charged expenses, including wages, fuel and supplies, of operating switching locomotives when exclusively assigned to switching service at shops (the expenses of incidental switching at shops by locomotives in transportation switching service shall be charged to appropriate transportation accounts).

4–4 *Gravel and sand pits and quarries.* (a) When a gravel or sand pit or quarry is opened for operations likely to extend over a long period, an account shall be set up designated, "Operations of gravel pit at _____," or "Operations of quarry at _____," as the case may be. To this account shall be charged cost of the land in excess of its estimated value after the gravel, sand, or stone has been removed (credit to the property account in which the cost of the land is included); payments for right to enter upon and remove ballast from land not owned by the carrier; cost of sinking test holes; and costs preparatory to opening the pit or quarry. To this account shall be charged also the cost, in excess of the estimated salvage value, of rails and fastenings, ties, other material and labor used in constructing tracks to and in the gravel pit or quarry (the estimated salvage being carried in an appropriate suspense account); cost of labor and train service employed in producing, quarrying, and loading ballast, including the cost of operation, repairs, and depreciation of power shovels and other machines and machinery; pay and expenses of watchmen; cost of explosives and hand tools, and miscellaneous expenses; and cost of installing, operating and maintaining signals and interlockers at gravel pits.

(b) Credit to the clearing account shall be made each month to cover the cost of ballast material produced during the month. The cost of production shall include the expenses directly assignable to the monthly output plus a proportion of the expenses not directly assignable, such as cost of land, tracks, machinery, and interlockers. This latter amount shall be computed upon the basis of the ratio which the monthly output bears to the total estimated yardage to be taken from the pit. When any portion of the product of such pits or quarries is sold, the cost thereof shall be credited to this clearing account and the profit thereon, if any, shall be credited to revenue account 143, Miscellaneous.

4–5 *Power plant operations.* (a) The accounting for the expenses of maintaining and operating an electric, steam, or other power plant (both building and machinery) shall be determined by the purpose for which the power produced is used. When a power plant is intended and used for producing power solely for the carrier's own operations and the cost of operating the plant is chargeable to clearing account "Shop expenses," or to any one specific account for operating expenses, the expenses of maintenance shall be charged to the appropriate maintenance accounts, and the cost of operation to the account appropriate according to the use of the power.

(b) When the power from such a plant is properly chargeable to more than one account, the expenses of maintaining and operating the plant shall be included in clearing account designated "Power plant operations." The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts. The expenses of operation shall be apportioned to the appropriate accounts upon the basis of quantity of power used for the various purposes.

(c) When a part of the power produced by a power plant is sold and the remainder is used in the carrier's own operations, the cost of maintaining and operating the plant shall be charged to a clearing account. The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts. The proportion of the expenses of operation assignable to the power sold, on the basis of ratio of quantity of power sold to total quantity of power produced, shall be credited to this clearing account and charged to account 445, "Producing power sold". The remainder of the cost of operation shall be distributed to the appropriate expense accounts for the carrier's own operations.

(d) When power plants are intended and used solely for furnishing power to others, the investment therein shall be included in balance sheet account 737, "Miscellaneous physical property", and the revenues and operating expenses shall be included in the accounts provided for operations of such property.

(e) The accounting for the maintenance of transmission systems and distribution systems shall be in accordance with instructions pertaining to power plant operations.

INSTRUCTIONS FOR DEPRECIATION

18: Fuel stations,

submit revised annual percentage rates

etc., as provided for owned road prop-

be kept to which shall be charged items of expense at shops, enginehouses, repair and in the gravel pit or quarry (the estimated salvage being carried in an appro-

INSTRUCTIONS FOR DEPRECIATION ACCOUNTS

5–1 *Method.* (a) There shall be charged monthly to operating expenses or other appropriate accounts and credited to account 735, "Accrued depreciation—Road and equipment", during the service life of depreciable road and equipment property, includible in accounts classed as depreciable, amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. The charges for accruing depreciation currently shall be computed in conformity with the group plan by applying to the cost of property such percentage rates as will distribute the service value by the straight-line method in equal annual charges to operating expenses or other accounts during the estimated life of the property. For road property, the cost shall be original cost or estimated original cost, as used in the valuation records, adjusted to current date. If a carrier submits proof that the actual cost of depreciable property is substantially different from cost figures in the valuation records, the carrier may, with the approval of the Commission, use such cost figures as the depreciation base.

(b) The term group plan means the plan under which depreciation charges are accrued upon the basis of the cost of depreciable property includible in accounts classed as depreciable using the service lives of the individual depreciable units in the accounts and properly weighting to determine the composite annual rate of depreciation.

(c) For the purpose of the group plan of depreciation accounting the following primary accounts are classed as depreciable accounts:

Road accounts:
1. Engineering (as appropriately assigned, but not distributed, to the other depreciable accounts in arriving at the amounts used as the depreciation base).
2½. Other right-of-way expenditures.
3. Grading (depreciable property recorded in this account).
5. Tunnels and subways.
6. Bridges, trestles and culverts.
7. Elevated structures.
13. Fences, snowsheds, and signs.
16. Station and office buildings.
17. Roadway buildings.
18. Water stations.
19. Fuel stations.
20. Shops and enginehouses.
21. Grain elevators.
22. Storage warehouses.
23. Wharves and docks.
24. Coal and ore wharves.
26. Communication systems.
27. Signals and interlockers.
29. Power plants.
31. Power-transmission systems.
35. Miscellaneous structures.
37. Roadway machines.
39. Public improvements—construction.
44. Shop machinery.
45. Power-plant machinery.

NOTE: With respect to accounts 2½, 3, 5, and 39, carriers may confine the accruals to the depreciable property recorded therein by applying the percentage rates to the aggregate cost of such property (omitting nondepreciable property), in computing depreciation charges, or they may request composite percentage rates to be applied to the total amount recorded in each of the accounts in computing depreciation charges.

Equipment accounts:
51. Steam locomotives.
52. Other locomotives.
53. Freight-train cars.
54. Passenger-train cars.
56. Floating equipment.
57. Work equipment.
58. Miscellaneous equipment.

(d) When abandonment of a branch line or other important segment of the track structure or other part of the plant for which depreciation charges are not includible in the accounts is foreseeable within a reasonable period of time due to exhaustion of traffic, obsolescence or other causes, application may be made to the Commission for authority to create a suitable reserve in anticipation of probable loss.

5–2 *Rates of depreciation.* (a) A separate composite annual percentage rate for each account covering depreciable property shall be used in computing depreciation charges. Such composite rates shall be those which are from time to time prescribed or otherwise authorized by the Commission. Where property is acquired for which no rates have been prescribed or otherwise authorized and also in the event annual percentage rates prescribed for any class or type of property become no longer currently applicable because of material changes in property, premature obsolescence, exhaustion of traffic or other causes not given effect in the existing rates, carriers shall so inform the Commission promptly and, at that time, shall submit revised annual percentage rates and supporting details developed in accordance with the method indicated in instruction 5–1.

(b) In computing monthly charges the annual percentage rates shall be applied to the depreciation base as of the first of each month and the result divided by twelve.

5–3 *Depreciation records to be kept.* (a) The carrier shall maintain for each class of property in convenient and accessible form engineering and other data bearing on prospective service lives; and shall be prepared at any time upon direction of this Commission to compute and submit for approval, new percentage rates to take the place of those based on service lives or value of salvage deemed to be inaccurate.

(b) The carrier also shall keep such records of depreciable property and property retirements as will reflect the service life of each class of property which has been retired, or will permit the determination of service life indications by past experience of useful life tenure of comparable property, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property.

(c) For purposes of analysis the carrier shall maintain subsidiary records in which the reserve is broken down into component parts corresponding to each primary account showing in these records in complete detail by each primary account the current credits and debits to the reserve. Such detailed information shall be reported annually to this Commission. For balance sheet purposes, the depreciation reserve shall be treated as a single composite reserve for property.

5–4 *Leased property—depreciation.* (a) The carrier shall include in operating expenses charges for depreciation on road property and equipment used but not owned, the rent for which is includible in rent for leased roads and equipment, and shall maintain the same records of service lives, salvage values, etc., as provided for owned road property and equipment. The excess of the total compensation paid over the amount chargeable for depreciation shall be included in the rent account. If settlement between the carrier and the lessor is not currently made, the amount of the depreciation accrued during the period of the lease shall be credited by the carrier to account 785, "Accrued depreciation—Leased property". The necessary adjustments of the difference between the balance thus accrued in that account and the actual amount of settlement shall appropriately be made through account 519, "Miscellaneous income", 551, "Miscellaneous income charges", or retained income, at the time settlement for depreciation on the property is made with the lessor.

(b) The carrier shall not include in the depreciation account in operating expenses any charges for depreciation of equipment used but not owned when the rents therefor are included in the rent for equipment and joint facility rent accounts.

5–5 *Jointly used property—depreciation.* The owning carrier shall include in the depreciation accounts in operating expenses the charges for depreciation on units of depreciable property jointly used with one or more other carriers. The owning carrier shall credit and each using carrier shall charge the appropriate joint facility accounts in operating expenses with the amounts billed by the owning carrier against each using carrier for its proportion of the service loss on property retired from service whether billed currently as depreciation or when retirements occur as the loss in service value. The using carriers shall be required to account for depreciation or retirement of units of road property jointly used but not owned only to the extent of their contract liability. The same principle shall apply to terminal companies and their nonowner tenants in accounting for depreciation accruals or retirement charges recorded in the accounts of the terminal companies.

INSTRUCTIONS FOR INCOME AND BALANCE SHEET ACCOUNTS

6–1 *Current assets.* In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or are held for current use in operations, current claims against others and amounts accruing to the carrier which are subject to settlement in the ordinary course of business within one year. There shall not be included in this group of accounts any amount the collection of which is not reasonably assured within one year because of the known financial condition of the debtor or otherwise. Such items shall be included in account 741, "Other assets", at an amount not in excess of a reasonable estimate of realizable value. Items of current character but of doubtful value previously credited to operating revenue, operating expense, income or other accounts shall be written down or written off by charging those accounts. Adjustment of these items of doubtful value shall be made by direct reduction of the asset account in which such doubtful items are carried or by a separate reserve for the uncollectible amount, which reserve shall be applied as a reduction of the current asset account in the balance sheet statement. Provision likewise shall be made for any significant loss due to obsolescence in material and supplies. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 741, "Other assets."

6–2 *Recorded value of securities owned.* The investment in securities other than those issued or assumed by the accounting company shall be recorded in these accounts at the money value, at the time of acquisition, of the consideration given therefor by the accounting company, but excluding amounts paid for accrued interest and accrued dividends. The accounting company shall write down the ledger value of any securities to the extent of impairment in their value or write off entirely if there is no reasonable prospect of realizing any value therefrom, but fluctuations in market value are not to be recorded. Adjustments in the ledger values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The amount of the adjustment for loss in value written off may be recorded in the accounts by creating a reserve for such loss through concurrent credits to account 723, "Reserve for adjustment of investment in securities". Losses in value of securities written off shall be charged to account 551, "Miscellaneous income charges", or to retained income, as appropriate. Under no circumstances shall securities be stated in these accounts at an amount in excess of their cost to the accounting company.

6–3 *Discount, expense, and premium on debt.* (a) Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receivers' and trustees' securities issued for the benefit of or assumed by the company. (For explanation of "subclass" see account 765, "Funded debt unmatured".) The net debit balances remaining in these ledger accounts shall be included in account 742, "Unamortized discount on long-term debt", and the total of the net credit balances in account 783, "Unamortized premium on long-term debt".

(b) Each fiscal period there shall be charged to income account 548, "Amortization of discount on funded debt", a proportion on a consistent basis of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 517, "Release of premiums on funded debt", a similar proportion of each of the credit balances in these accounts. When the total discount and expense applicable to any particular issue of securities does not exceed $25,000, carriers may charge the entire amount to account 548, "Amortization of discount on funded debt", at time of issue.

(c) When any funded debt which has been actually issued to bona fide holders for value is reacquired by the accounting company, that proportion of the balance remaining in accounts containing discount, expense and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to account 519, "Miscellaneous income", account 551, "Miscellaneous income charges", or to retained income, as may be appropriate in accordance with the texts of these accounts. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding immediately before such reacquirement.

6–4 *Discount, premium, and assessment on capital stock.* (a) Separate ledger accounts shall be provided for each subclass of capital stock issued or assumed by the accounting company to cover discount suffered and premium realized at the time of sale of capital stock. General levies or assessments against stockholders shall be credited to the appropriate ledger accounts for the subclass of capital stock against which the levy or assessment is made.

(b) The total of net debit balances in these ledger accounts shall be included in account 793, "Discount on capital stock", and the total of net credit balances in account 794, "Premiums and assessments on capital stock".

(c) Discount on each subclass of capital stock may be offset or reduced by charges to account 794, "Premiums and assessments on capital stock", to the extent that net gains from premiums or assessments have been included therein or to account 795, "Paid-in surplus", to the extent that net gains from reacquisition and resale or retirement of capital stock applicable to such subclass have been included therein. Any remaining discount may be amortized by charge to account 616, "Other debits to retained income", or may be retained and carried in account 793, "Discount on capital stock", until the stock to which the discount applies is retired.

(d) In case the accounting company is permitted and elects with the approval of the Commission, to distribute all or any part of the net balance of paid-in surplus to its stockholders, the amount thus distributed shall be charged to account 795, "Paid-in surplus".

(e) When an issue of capital stock, or any part thereof, is reacquired either by purchase or through donations by shareholders and is not canceled, but is held as treasury stock or in sinking or other funds, such stock shall be included in a subdivision of account 791, "Capital stock issued", if treasury stock, and in accounts 715, "Sinking funds", 716, "Capital and other reserve funds", or 717, "Insurance and other funds", as may be appropriate, if the stock is held alive in a fund of the character described in the respective accounts. The reacquired stock shall be included in such accounts at par value or if stock without par value at the proportionate amount at which the particular class of stock is carried in account 791.

(f) The difference between the amount at which such reacquired stock was recorded in account 791, "Capital stock issued", and the amount paid by the accounting company for such stock, including any premium or discount applicable to such subclass carried in account 794, "Premiums and assessments on capital stock", or in account 793, "Discount on capital stock", and the commissions and expense in connection with its reacquisition shall be included in account 795, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to such subclass included in paid-in surplus shall be charged to account 616, "Other debits to retained income."

(g) When reacquired capital stock is resold the difference between the net sale price and the amount at which carried as treasury stock shall be included in account 795, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to each subclass of capital stock resold included in paid-in surplus shall be charged to account 616, "Other debits to retained income".

6–5 *Joint liabilities.* The accounting company shall state as a liability in its balance sheet the difference between the total par value of securities jointly or severally issued by it and others and the portion of such liability which, under the joint arrangement, it is expected will be liquidated by the other party or parties to the joint arrangement. The amount of the jointly or severally issued securities it is expected will be liquidated by the other party or parties shall be shown as a contingent liability in accordance with instruction 6–6 pertaining to contingent assets and liabilities.

6–6 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but items of material amount shall be shown in a supplementary statement to the balance-sheet. Contingent assets are those without value to the accounting company until the fulfillment of conditions

is claimed for income tax purposes. The amount of the adjustment for loss in value written off may be recorded in the

these accounts. Such proportion shall be based upon the ratio of the par value

the respective accounts. The reacquired

regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet. Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes, guarantees of indebtedness of others, and agreements or obligations to repurchase securities or property. Where the outcome is reasonably foreseeable, such as probable tax assessment which the carrier may not reasonably expect to contest successfully, such liabilities are to be reflected in the accounts and are not to be treated as contingent liabilities.

PROPERTY ACCOUNTS
Road

0 Road.

The several primary accounts included in this general account are designed to show the cost of land and road property owned by the carrier and devoted to transportation service.

1 Engineering.

This account shall include the pay and expenses of engineers, assistants, and clerks engaged in the survey and construction of new lines and extensions, or in making additions to and betterments of the carrier's road, including wharves and docks.

LIST OF OFFICERS AND EMPLOYEES

Chief engineer.
Assistant engineers.
Bridge and signal engineer.
Architects and draftsmen.
Chief clerk and other clerks.
Transitmen and levelmen.
Rodmen and chainmen.
Cooks and porters on business cars.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Barometers.
Books for office use.
Business car service.
Cameras; compasses.
Camp equipage.
Chains for surveyors.
Drawing boards.
Drawing instruments.
Field glasses.
Furniture repairs and renewals.
Heating and lighting.
Magnets and magnifiers.
Official train service.
Paper, blue-print.
Periodicals and newspapers.
Photographic supplies.
Printing and stationery.
Provisions for business cars.
Rent and repairs of offices.
Rods for surveyors.
Sextants and slide rules.
Telegraph and telephone service.
Traveling expenses.
Triangles and tripods.

NOTE A: When employees designated above are engaged in the maintenance of the road, their pay and expenses while thus employed shall be charged to operating expenses.

NOTE B: Expenditures for tentative or preliminary surveys shall be carried in a suspense account until it is determined whether or not to continue the work. If the project is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to operating expenses, income, or retained income, as may be appropriate.

NOTE C: The cost of designing, making plans and specifications, and supervising the construction of equipment shall be included in the cost of the equipment.

NOTE D: The cost of stationery and printing supplies used for accounting purposes in connection with engineering work shall be included in account 74, "Stationery and printing," when not directly assignable to specific road or equipment accounts.

NOTE E: Fees and expenses of architects specially employed for designing or supervising the construction of buildings shall be included in the accounts appropriate for the cost of the buildings constructed.

2 Land for Transportation Purposes.

This account shall include the cost of land of necessary width acquired for roadway; the cost of land for station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, snow fences, sand fences, and other railway appurtenances; and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of the necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

The carrier's records shall be kept in such manner as to show separately the cost of land purchased. Proceeds from the sale of timber or of improvements purchased with right of way, less any cost of removal, shall be credited to this account.

ITEMS OF EXPENSE

Abstracts.
Appraisals.
Arbitrators in condemnation cases.
Commissions paid to others.
Condemnation expenses, including court costs and special counsel fees.
Damages to property of others.
Deferred payments for right-of-way.
Ditches for waterways when part of consideration.
Judgments and decreed costs to clear or defend titles.
Notarial fees.
Plats.
Premiums on condemnation bonds.
Recording deeds.
Payments for relinquishment of cattle passes and other rights.
Removal and relocation of buildings and other structures not purchased.
Rent of land when part of consideration for purchase.
Right-of-way agents' compensation (engaged solely in acquiring right of way).

Taxes accrued and assumed at time of purchase.

NOTE: The cost of land acquired in excess of that necessary for transportation operations shall be included in balance-sheet account 737, "Miscellaneous physical property." When the purchase of land acquired for transportation operations involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes, and the cost of the remaining land shall be included in account 737, "Miscellaneous physical property." Only the actual cost borne by the carrier for right-of-way and other lands acquired through vacation of streets and highways shall be included in this account. No donations should be considered as involved in the acquisition of such property.

2½ Other Right-of-way Expenditures.

This account shall include the cost (in excess of cost of railway facilities installed, if any) actually borne by the carrier of improvement projects (other than public improvement projects), such as the construction of canals, farm and other private passes, pipe lines, drains, and other facilities across the carrier's right-of-way.

3 Grading.

(a) This account shall include the cost of clearing and grading the roadway, and of constructing protection for the roadway, tracks, embankments and cuts.

(b) When a part of a bridge or trestle, or the entire structure, is converted by filling into an earth embankment, and the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be included in the cost of the filling, and charged to this account. (See Note A, under account 6, "Bridges, trestles, and culverts.")

(c) When a tunnel is converted into an open cut, the cost of clearing, grubbing, and excavating shall be included in this account.

DETAILS OF ROADBED AND ITEMS OF EXPENSE

Advertising for contractors' bids.
Berm ditches.
Blasting.
Breakwaters.
Bulkheading.
Clearing land.
Cribbing.
Dikes (including those of earthern construction which are intended to function indefinitely).
Ditches (not required by right-of-way agreement).
Dressing slopes.
Excavation for conversion of tunnels into open cuts.
Filling bridges, trestles, and culverts.
Grading outfits.
Grubbing land.
Material taken from borrow pits.
New channels for streams.
Operation of steam shovels.
Payments for privilege of wasting material on the property of others.
Payments for waste banks off the right-of-way.
Retaining walls.
Revetments.
Riprap.
Spoil banks.
Temporary trestling for fills.
Tools for grading.
Wing dams.

5 Tunnels and Subways.

This account shall include the cost of tunnels and subways for the passage of trains, including apparatus for ventilating and lighting and safety devices therein, other than signals.

NOTE A: The cost of tracks, including guard rails, in tunnels shall not be charged to this account.

NOTE B: Station subways not highway crossings are includible in account 16, "Station and office buildings."

NOTE C: If a tunnel be converted into an open cut the accounting shall be in accordance with the instructions prescribed for converted property.

6 Bridges, Trestles, and Culverts.

This account shall include the cost of the substructure and superstructure of bridges, trestles, and culverts which carry the tracks of the carrier over water-courses, ravines, public and private highways, and other railways.

DETAILS OF BRIDGE STRUCTURES

Abutments.
Bridge signs.
Cofferdams.
Concrete and masonry ends for culverts.
Cribs.
Decking, including gravel for fire protection.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge engines and machinery.
False work.
Guard timbers.
Ice breakers.
Painting (except repainting).
Pier protection.
Piers and foundations.
Pipe culverts.
Retaining walls.
Riprap around abutments.
Riprap at culvert ends.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE A: When a part of the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account 3, "Grading." The ledger value of the structure or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to account 3, shall be charged to account 735, "Accrued depreciation—Road and equipment."

NOTE B: The cost of bridges to carry the carrier's tracks over undergrade crossings, including the necessary piers and abutments to sustain them shall be included in this account.

7 Elevated Structures.

This account shall include the cost of elevated structures and foundations of elevated railway sytems. This account is applicable to structures other than earthwork, which are for the purpose of elevating tracks above the grade of streets, and which are not properly classable as bridges or trestles.

NOTE: The cost of stations and other structures built on elevated structures shall be accounted for according to the class of the structure thus superimposed and not in this account.

8 Ties.

(a) This account shall include the cost of cross, switch, bridge and other track ties used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of additional ties subsequently laid in such tracks; also the excess of cost of metal ties used in repairs of track over the cost to replace in kind wooden ties removed.

(b) The cost of handling ties in general supply and storage yards shall be included as store expenses apportioned to this account when the ties are used for construction purposes.

NOTE A: The cost of labor for unloading, distributing and placing the ties in tracks and the cost of train service in connection with the distribution of ties laid shall be charged to account 12, "Track laying and surfacing."

NOTE B: The cost of ties used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of ties used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

9 Rails.

(a) This account shall include the cost of rails used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of the excess in weight of heavier rails laid in replacement of lighter rails.

(b) The cost of handling rails in general supply and storage yards shall be included as store expenses apportioned to this account when the rails are used for construction purposes.

(c) To this account shall be credited the cost (estimated if actual is not known) of the excess weight of heavier rails replaced with lighter rails.

NOTE A: The cost of labor for unloading, distributing and placing the rails in tracks, and of train service in connection with the distribution of the rails shall be charged to account 12, "Track laying and surfacing."

NOTE B: The cost of rails used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of rails used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

10 Other Track Material.

(a) This account shall include the cost of material used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), except ballast and material chargeable to foregoing accounts; also the excess cost of heavier or improved "other track material" used in repairs of tracks over the cost of replacing in kind such material removed.

(b) The cost of handling "other track material" in general supply and storage yards shall be included as store expenses apportioned to this account when such material is used in the construction of new tracks.

ITEMS OF OTHER TRACK MATERIAL

Angle bars.
Anticreepers.
Bumping posts.
Compromise joints.
Connecting rods.
Crossings, including foundations or bases.
Derails.
Frog blocking.
Frogs.
Guard-rail blocking.
Guard-rail clamps.
Guard-rail fasteners.
Guard rails, switch and other.
Main rods.
Nut locks.
Nuts.
Offset bars.

Cribbing.
Dikes (including those of earthern construction which are intended to function indennitely).
and machinery.
False work.
Guard timbers.
Wing dams.
Wing walls.
tracks, such as gravel-pit and quarry tracks.

Rail braces.
Rail splices.
Rail chairs.
Rail clips.
Rail joints.
Rail rests.
Rail shims.
Splice bars.
Step chairs.
Switch chairs.
Switch crossings.
Switch lamps.
Switch locks and keys.
Switch points.
Switch stands.
Switch targets.
Switches.
Tie plates.
Tie plugs.
Tie rods.
Track bolts.
Track insulators.
Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" shall be charged to account 12, "Track laying and surfacing".

NOTE B: No entry is required in this account with respect to improved "other track material" unless installed under a definite plan of changing standards, such as increasing the weight of rail.

NOTE C: The cost of "other track material" used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of such track material used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

11 Ballast.

(a) This account shall include the cost of gravel, stone, slag, cinders, sand, and like material used in ballasting tracks (including tracks in shops, fuel stations, supply yards, etc.) not previously ballasted, including cost of work-train service and of unloading; cost of ballast applied in excess of ballast required to restore to its maximum height and width the ballast previously put on the roadbed; and the excess cost of improved ballast used in renewals over the cost to replace in kind to the original height and width the ballast removed. Charges to this account shall not exceed the cost of ballast applied to a depth of 24 inches beneath the tie, unless otherwise authorized by the Commission.

(b) The instructions prescribed for gravel and sand pits and quarries applies to the accounting for pits from which ballast material is obtained either for construction work or for maintenance, or for both.

NOTE A: The cost of ballast used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

NOTE B: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE C: The cost of ballast material placed on the decking of bridges solely for fire-protected purposes shall be included in account 6, "Bridges, trestles and culverts."

NOTE D: No charge shall be made to the accounts of this classification representing the value of cinders accumulated by the carrier.

12 Track Laying and Surfacing.

This account shall include the cost of distributing (including train service), laying, and adjusting ties, rails, and other track material used in the construction of tracks for the movement or storage of locomotives or cars, including repair tracks, but not tracks on car floats or temporary tracks the cost of which is chargeable to clearing accounts. It shall also include the cost of the labor expended in placing ballast in tracks not previously ballasted.

NOTE A: The cost of distributing and adjusting ties, rails, ballast, and other track material for repairs shall be charged to operating expenses, both when such materials are replaced in kind and when replaced with improved and heavier material.

NOTE B: The cost of work-train service in delivering ballast and of unloading such material is provided for in account 11, "Ballast."

13 Fences, Snowsheds and Signs.

This account shall include:

(a) *Fences.* The cost of right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, on property not previously fenced, excluding those around stock-yards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of snowsheds, including initial cost of planting trees for protecting tracks from snow.

(c) *Signs.* The initial cost of signs other than those for identification of bridges, signals, stations, and other structures.

SIGN ITEMS

Boundary signs.
Bridge-caution signs.
Crossing signs.
Curve and elevation markers.
Division-limit signs.
Mileposts.
Monuments.
Safety-first signs at crossings.
Section-limit signs.
Slow or stop signs.
Tunnel—caution signs.
Water-station signs.
Water-trough signs.
Whistle signs.
Yard-limit signs.

NOTE A: The cost of fences (other than right-of-way boundary fences) around stock yards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of the structures.

NOTE B: The cost of signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of the structures.

NOTE C: The cost of crossing signals, including crossing gates, shall be included in account 27, "Signals and interlockers."

NOTE D: This account shall also include the cost of replacing units of such property or substantial parts of fences or snowsheds the original cost of which were charged to this account.

16 Station and Office Buildings.

This account shall include the cost of station and office structures, their fixtures, appurtenances, and furniture necessary first to equip the buildings for use.

STATION AND OFFICE STRUCTURES AND DETAILS

Breakwaters for protection of buildings.
Buildings and rooms for trainmen.
Buildings on piers.
Coal transferring machinery (not on coal and ore wharves).
Coal trestles (not at fuel stations).
Drainage and sewerage systems.
Elevators and machinery.
Fences.
Freight cranes and derricks.
Freight handling machinery.
Gas-supply systems.
General office buildings
Grain elevators and warehouses.
Heating plants.
Hoisting engines, for handling freight.
Lighting plants.
Ore-transferring machinery.
Pavement within ground limits.
Platforms, passenger, including planking between tracks.
Power distribution systems, interior.
Sidewalks.
Station footbridges (not highway crossings).
Station intertrack fences.
Telegraph offices.
Track scales.
Water-supply systems.
Yard offices.

NOTE A: Office buildings used exclusively in connection with maintenance of way shall be included in account 1', "Roadway buildings." Those used exclusively in connection with maintenance of equipment shall be included in account 20, "Shops and engine-houses."

NOTE B: The cost of grading and preparing grounds, both before and after the construction of station and office buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

17 Roadway Buildings.

This account shall include the cost of roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and connections; and all machinery, fixtures, and furniture to equip the building ready for use.

LIST OF ROADWAY BUILDINGS

Blacksmith shops.
Breakwaters for protection of buildings.
Carpenter shops.
Fire-engine houses.
Frog shops for repair of track material.
Hand-car houses.
Lighting plants.
Lumber sheds.
Planing mills.
Rail shops for repair of track material.
Repair shops.
Scrap bins.
Section dwelling houses.
Tool houses.

NOTE: The cost of grading and preparing grounds both before and after the construction of roadway buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects, specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

18 Water Stations.

This account shall include the cost of structures, facilities, and appliances necessary to equip for service, stations for supplying water. The cost of analyses of water preliminary to the establishment of water stations shall be included in this account.

WATER STATION STRUCTURES AND DETAILS

Boilers.
Breakwaters for protection of buildings.
Buildings on piers.
Cisterns and dams.
Fences.
Pump houses.
Purifying plants.
Reservoirs and wells.
Settling basins.
Stationary engines.
Steam pipes.
Tanks and foundations.
Water pipe lines.
Water-treating plants.

NOTE A: The cost of water stations used solely for supplying water to shops, power

plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary water station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the water station is used.

NOTE C: The cost of grading and preparing grounds both before and after the construction of water station buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

19 Fuel Stations.

This account shall include the cost of structures, facilities other than tracks, and appliances necessary to equip for service, stations for supplying fuel to locomotives and floating equipment.

FUEL STATION STRUCTURES AND DETAILS

- Breakwaters for protection of buildings.
- Buildings on piers.
- Coal buckets and hoists.
- Coal pockets and chutes.
- Dumping machinery.
- Elevating machinery.
- Fences.
- Fuel houses or stations.
- Fuel-oil plants, pumps and tanks.
- Fuel platforms and wharves.
- Stationary engines.
- Tipple cars.
- Weighing apparatus.

NOTE A: The cost of fuel stations, coal houses, etc., used solely for supplying fuel to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary fuel station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the fuel station is used.

NOTE C: The cost of grading and preparing grounds both before and after the construction of fuel station buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

20 Shops and Enginehouses.

This account shall include the cost of buildings to be used as shops, enginehouses, and storehouses for material for maintenance of equipment; foundations, except those special to particular machines and other apparatus; furniture and fixtures other than equipment chargeable to account 44, "Shop machinery"; drainage, sewerage, and water-supply systems; and plants for heat and light.

SHOP AND ENGINEHOUSE STRUCTURE AND DETAILS

- Air-compressor houses.
- Bins for material.
- Blacksmith shops.
- Breakwaters for protection of buildings.
- Buildings on piers.
- Car sheds and shops.
- Carpenter shops.
- Cinder pits and pockets.
- Electric-power distribution systems within buildings.
- Enginehouses.
- Fire-engine houses.
- Footbridges (not public highways).
- Foundries and machine shops.
- Gas-compressor houses.
- Heating and lighting plants.
- Laboratories.
- Lumber sheds.
- Material and supply truck tracks.
- Motor-crane tracks.
- Offices, shop.
- Paint shops.
- Pipe lines, air, and heat.
- Pipe lines, gas, interior.
- Planing mills and repair shops.
- Platforms, shop and yard.
- Scale houses and scales.
- Scrap bins.
- Sidewalks.
- Steam-distribution systems, interior.
- Storehouses.
- Tanks, gas, and oil.
- Test rooms.
- Turntables.
- Upholstering shops.
- Warehouses.

NOTE A: The cost of distinct power plant buildings for shop purposes shall be included in account 29, "Power plants." The cost of distribution systems leading from such power plants to shops and enginehouses shall be included in account 31, "Power-transmission systems."

NOTE B: The cost of grading and preparing grounds both before and after the construction of shop and enginehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE C: The cost of shop buildings devoted solely to the maintenance of way and structures shall be included in account 17, "Roadway buildings."

21 Grain Elevators.

This account shall include the cost of structures, including the cost of conveyors, machinery, and the fixtures which the railway companies operate for the transfer, treatment, and storage of grain. The buildings referred to in this account are not small storage elevators at stations where grain is received for shipment, etc., but large elevators in which grain is stored for various owners.

NOTE A: Small storage elevators at way stations are classed as station buildings.

NOTE B: The cost of grading and preparing grounds both before and after the construction of grain-elevator buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE C: The cost of grain elevators leased to noncarriers shall be included in account 737, "Miscellaneous physical property."

22 Storage Warehouses.

This account shall include the cost of storage warehouses, including machinery and fixtures therein. The buildings herein referred to are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but warehouses in which merchandise is stored and which the railway companies operate as storage warehouses.

NOTE A: The cost of grading and preparing grounds both before and after the construction of storage warehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE B: The cost of warehouses leased to noncarriers shall be charged to account 737, "Miscellaneous physical property."

23 Wharves and Docks.

This account shall include the cost of wharves, docks, dry docks, slips, float bridges, and other landings for vessels, including the cost of necessary dredging, and the cost of float-bridge machinery; also the cost of piling, pile protection, cribs, coffer-dams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

DETAILS OF WHARVES AND DOCKS

- Bridge pontoons.
- Bulkheads.
- Caissons and crib-work.
- Dry docks.
- Ferry-bridge machinery.
- Ferry bridges.
- Ferry slips.
- Jetties and inclines.
- Transfer-bridge machinery.
- Transfer bridges.

NOTE A: The cost of coal and ore wharves and docks shall be included in account 24, "Coal and ore wharves."

NOTE B: The cost of the land on which wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account 2, "Land for transportation purposes."

NOTE C: The cost of buildings located on wharves shall be included in the accounts appropriate for the class of buildings.

NOTE D: The cost of grading and preparing grounds both before and after the construction of wharves (other than coal and ore wharves) and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

24 Coal and Ore Wharves.

This account shall include the cost of wharves and docks for the transfer, treatment, blending, or storage of coal or ore, including the cost of necessary dredging and of conveyors, machinery, and fixtures.

NOTE A: The structures referred to in the account do not include small transfer or storage trestles or wharves at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B: The cost of grading and preparing grounds both before and after the construction of coal and ore wharves, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of perma-

nent water rights shall also be included in the cost of the wharves.

26 Communication Systems.

This account shall include the cost of telegraph, telephone, radio, radar, inductive train communication, and other communication systems, including terminal equipment.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT

- Batteries.
- Cables and wires, interior.
- Carrier terminating equipment.
- Conduits, interior.
- Connecting wires.
- Current-controlling instruments.
- Electric generators and motors.
- Electric meters.
- Engines, stationary.
- Fuses and mechanical protectors.
- Rectifiers.
- Rheostats.
- Sending and receiving instruments.
- Switchboards.
- Telegraph repeaters.
- Telephone repeaters.
- Teletypewriters.
- Testing outfits.
- Transformers.

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT

- Aerial attachments.
- Braces.
- Brackets.
- Cable boxes and appurtenances.
- Cables and wires, aerial.
- Conduits and appurtenances.
- Cross arms.
- Gas and associated facilities for cables.
- Guy stubs.
- Guy wires.
- Insulators.
- Load coils.
- Poles.
- Submarine cables and connections.
- Telephone pole boxes.
- Towers.
- Underground cables and connections.

DETAILS OF RADIO, RADAR, AND INDUCTIVE TRAIN COMMUNICATION EQUIPMENT

- Aerials or antenna, and attachments.
- Buildings or towers used exclusively for wireless.
- Control units.
- Power generating, converting, or supply equipment.
- Radar console and associated equipment.
- Roadside or office equipment for all wireless systems operated on special channels between train and train, train and tower or office, or between ship and shore.
- Specialized testing and repair equipment.
- Transmitters and receivers, including mobile units.

NOTE A: Radio, radar or trainphone equipment (except portable apparatus) which is permanently attached to locomotives, cars, work equipment, or other rolling stock or floating equipment shall be included in the same accounts as the equipment on which installed. Wireless sets for instruction, advertising, or entertainment shall be included in the same accounts as the building in which located.

NOTE B: Communication systems of limited extent, not connected with other systems, used for special purposes and usually installed within a single building, group of buildings, or within the limits of a station or shop layout or yard, shall be included in the same account as the building in which located or in the account appropriate for the service with which associated.

ITEMS

- Buzzers, bells, dictaphones or other interoffice communication systems in an office or group of buildings.
- Loud speakers, bells, or whistles in shop and other yards.
- Loud speakers, public address devices, press button control lights, telautograph or other systems in stations or on platforms.
- Whistles, klaxons, or horns operated from signal towers.

NOTE C: Test sets shall be classified as tools and included in the account appropriate for their use.

27 Signals and Interlockers.

This account shall include the cost of interlocking and other signal apparatus for governing the movements of locomotives, cars, and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; roadway installations for train control and remote control including the cost of the initial tests of such installation; also the cost of buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers.

ITEMS

- Automatic-train control devices other than on equipment.
- Call-bell systems along track to call in flagmen.
- Call boxes, electric.
- Car-retarder systems.
- Centralized traffic control.
- Crossing flasher-light signals.
- Crossing gates, highway and railway.
- Crossing signal bells.
- Crossing warning signals.
- Interlocker buildings and machinery.
- Power apparatus primarily for the operation of signals and interlockers.
- Power-distribution lines primarily for the operation of signals and interlockers.
- Signal buildings.
- Signal machinery, poles and foundations.
- Train-order signals.

NOTE A: When signal or interlocking apparatus is located in a station building, only the cost of the signal or interlocking apparatus shall be charged to this account. The entire cost of the building shall be included in account 16, "Station and office buildings."

NOTE B: The cost of track material, such as switches, special rail braces, special rods, special track fastenings, split rails, derails, derail stands, and frogs, used in connection with interlockers, shall be included in account 10, "Other track material."

NOTE C: When derails are arranged so as to be thrown from switch stands, the cost of labor expended in the installation of the connections between the switch stand and derail and the devices for throwing the derail shall be included in account 12, "Track laying and surfacing." The cost of the material shall be included in account 10, "Other track material."

NOTE D: The cost of grading and preparing grounds both before and after the construction of signal and interlocker buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

29 Power Plants.

This account shall include the cost of power-plant and substation buildings (housing machinery provided for in account 45, "Power-plant machinery"); all foundations other than those special to particular machines and apparatus; and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and furniture and miscellaneous fixtures shall be considered as a part of the power-plant buildings.

POWER-PLANT STRUCTURE ITEMS

- Buildings.
- Coal bunkers, pockets and trestles.
- Fences (other than right - of - way boundary fences).
- Fixtures for lighting (including wiring) and heating power-plant buildings.
- Foundations (except special foundations for machines and other apparatus).
- Fuel-oil tanks.
- Furniture.
- Hose and appliances for protecting buildings against fire.
- Pavement within ground limits.
- Permanent rights in water supply.
- Platforms.
- Smoke stacks and chimneys and their foundations when distinct from and not resting on boilers.
- Water, sewer, gas, and drainage pipes and connections.
- Wells (but not pumps).

DAM, CANAL, AND PIPE-LINE ITEMS

- Aqueducts.
- Bridges.
- Fences (other than right - of - way boundary fences).
- Footbridges.
- Reservoirs.
- Roadways.
- Sluices.
- Valves.
- Water rights.

NOTE A: The cost of power-plant machinery, including stacks resting on boilers, and special foundations for machines, shall be included in account 45, "Power-plant machinery."

NOTE B: The cost of the buildings and of the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE C: Investment in buildings and machinery of detached plants for furnishing power both for operating purposes and for sale shall be included in this account and in account 45, "Power-plant machinery," respectively. When plants are intended and used primarily for generating power for sale to other than common carriers, the investment shall be included in account 737, "Miscellaneous physical property."

31 Power-transmission Systems.

This account shall include the cost of systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; also the cost of conduits and of poles, cross arms, insulator pins, brackets, and other pole fixtures, and of other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes.

POWER-TRANSMISSION SYSTEM ITEMS

- Air pipe-lines in car yards.
- Compressed air pipe-lines.
- Compressed air storage tanks (not at power houses or shops).
- Cut-outs (not at power houses and substations).
- Overhead trolley wires.
- Rail-insulating devices.
- Steam-heating pipe-lines in car yards.
- Switchboards (not at power houses and substations).
- Third-rail insulation and protection.
- Transformers (not at power houses and substations).
- Underground power tubes.

POLE-LINE AND CONDUIT ITEMS

- Braces and other supports for holding poles in position.

Brackets, cross arms, and other pole fixtures.
Conduits for wires and cables.
Cutting and trimming trees.
Guy stubs and wires.
Manholes.
Poles and towers.
Sewer traps.
Stenciling or painting letters or numbers on poles.

NOTE A: The cost of wire and pipe-distribution systems located within shop buildings and in stations and office buildings shall be included in the cost of the buildings, except that lateral service lines to equipment-shop machines shall be included in account 44, "Shop machinery." The cost of distribution systems used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE B: The cost of conduits and of poles and fixtures for telegraph and telephone, or signal lines shall be included in account 26, "Communication systems," or account 27, "Signals and interlockers," as appropriate. The cost of poles and conduits used for telegraph and telephone or signal lines and for power-distribution lines shall be included in the account appropriate according to their predominant use.

35 Miscellaneous Structures.

This account shall include the cost of all permanent structures not provided for elsewhere, including all fixtures and furniture to equip them for use.

37 Roadway Machines.

This account shall include the cost of the initial outfit of roadway machines provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic, and the cost of additional roadway machines acquired subsequently.

LIST OF ROADWAY MACHINES

Boilers, portable.
Cars, hand.
Cars, lever.
Cars, motor inspection.
Cars, push.
Cars, (small), crane, for supply yards and general use.
Concrete mixers.
Ditching machines.
Dredging machines.
Engines, portable.
Grading outfits.
Hydraulic outfits.
Jacks, hydraulic.
Log loaders.
Pile drivers.
Plows, unloading.
Rail unloaders.
Rock crushers.
Steam rollers.
Timber trucks.
Velocipedes.

NOTE A: When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machines retained after the completion of the special work for which they were purchased, shall be credited to the accounts charged with the cost thereof. The appraised value of such machines retained shall be debited to this account and thereafter considered as the cost of such property.

NOTE B: The cost of machines for the equipment of roadway shops shall be included in account 17, "Roadway buildings," as provided for therein.

NOTE C: The cost of roadway machines, such as pile drivers, log loaders, hoist engines, and concrete mixers, when permanently mounted for movement on the carrier's tracks, shall be included in account 57, "Work equipment."

38 Roadway Small Tools.

This account shall include the cost of the initial outfit of roadway and track small tools provided for the maintenance of way and structures at the time the road is opened for commercial traffic; also the initial outfit of such tools provided for the maintenance of extensions of such road.

NOTE: The cost of roadway and track small tools of which no specific record is kept shall be charged when acquired to an appropriate materials and supplies account, from which they shall be charged as issued to the appropriate road and equipment, operating expense, or other accounts. When such tools are used both for construction and maintenance work the cost shall be equitably apportioned among the accounts provided for the two classes of work.

39 Public Improvements; Construction.

This account shall include amounts assessed on carrier property by governmental authority (by mutual agreement or otherwise) to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. The account also shall include carrier's portion of the cost of public improvements constructed under governmental requirements. See Instruction 16. The entire amount of each assessment and other liabilities for public improvements shall be included in this account as soon as the amounts are determined.

ITEMS

Cost of land outside carrier's right-of-way to provide for the relocation of streets or highways or providing slopes therefor.
Cost of removal and relocation of buildings and other structures in connection with the construction of streets and highways.
Curbing streets and highways.
Damage to property of others when incidental to highway construction.
Drainage systems.
Engineering—When such costs apply to items chargeable to this account.
Flood protection.
Grading streets and highways.
Guttering streets and highways.
Irrigation systems.
Levees.
Overhead highway bridges, including approaches.
Paving streets and highways, including such pavings at crossings.
Planking, highway crossings.
Sewer systems.
Sidewalks.
Street-lighting systems.
Water works.

NOTE A: The cost of railway facilities installed in connection with joint public improvement projects if not in excess of total costs borne by the carrier shall be included in accounts other than account 39, "Public improvements—Construction," appropriate for the class of property installed. Any costs borne by the carrier in excess of the cost of railway facilities shall be charged to this account.

NOTE B: The cost to the carrier of maintaining public improvements shall be included in Operating Expenses.

NOTE C: Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

NOTE D: The amount of the deferred payments of assessments for public improvements if payments are to be made within one year, shall be included in account 763, "Other current liabilities." If the payments are spread over a longer period they shall be credited to account 782, "Other liabilities." The interest paid on such assessments shall be included in account 547, "Interest on unfunded debt."

NOTE E: Interest and penalties imposed, on basis of monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be charged to account 547, "Interest on unfunded debt."

NOTE F: Assessments on noncarrier property for the cost of constructing public improvements shall be charged to account 737, "Miscellaneous physical property."

40 Revenues and Operating Expenses During Construction.

This account shall include the cost of operating a piece of road during the period before the regular operation of revenue trains, including rent and repairs of equipment used in commercial service during such period. It includes the cost of running construction trains over such section of road when the cost of operating such trains cannot properly be charged to any specific account. To this account shall be credited amounts collected for rents of buildings and other properties and for the transportation of commercial freight or of passengers on construction trains; also the net profits from boarding and commissarial outfits, and other sources of operating revenue. Carriers which wish to subdivide this account shall use appropriate subaccounts corresponding to accounts prescribed for operating revenue, operating expense, or income accounts.

42 Reconstruction of Road Property Acquired.

When road property acquired is in such physical condition that it is necessary to substantially rebuild the road in order to bring it up to the standard required by the carrier, the accounting for such reconstruction including retirements in connection therewith shall be presented to the Commission for approval before being entered in the accounts.

NOTE: A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

43 Other Expenditures; Road.

This account shall include items which can not properly be included in any of the foregoing accounts as a part of the cost of any specific work, amounts paid for rent and repairs of equipment and for injuries to persons incident to and in connection with original road, road extensions, or additions and betterments; and analogous items. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditure occurs.

NOTE: Rents paid for and repairs made to equipment used in commerical operations during the period before the regular operation of revenue trains shall be charged to account 40, "Revenue and operating expenses during construction."

44 Shop Machinery.

This account shall include the cost of machinery and other apparatus in shops and engine houses, including the cost of special foundations and installation and cost of small hand tools necessary first to equip a shop.

LIST OF SHOP MACHINERY

Air compressors.
Ash conveyors.
Belting.
Blowers.
Boilers for furnishing power.
Boring machines.
Cars, motor.
Cars, push.
Cranes.
Drilling machines.
Drop tables.
Forges.
Framing machines.
Furnaces.
Grinding and polishing machines.
Hoists.
Hydraulic jacks.
Lathes.
Lifting magnets.
Metal chimneys.
Milling machines.
Motors.
Pipe cutting and threading machines.
Planers.
Pneumatic hammers.
Power equipment.
Punches.
Riveters.
Saws.
Shafting.
Shapers.
Slotters.
Stationary engines.
Steam hammers.
Vices.
Welding machines.
Woodworking machines.

NOTE A: The cost of powerplant machinery and other apparatus for shop purposes, when located in distinct buildings, shall be included in account 45, "Power-plant machinery."

NOTE B: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building and not in this account.

45 Power-plant Machinery.

This account shall include the cost of machinery and other apparatus in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for stations, shops, and general purposes, and also the cost of foundations special to particular machines or other apparatus including the cost of installation.

ITEMS

Air compressors.
Ash-conveying machinery.
Battery-charging apparatus.
Boiler-room appliances and tools.
Boilers and fittings.
Circuit breakers.
Coal-conveying machinery.
Condensers.
Cranes.
Draft machinery.
Dynamos.
Engine-room appliances and tools.
Feed water heaters.
Furnaces.
Ice-manufacturing machinery and apparatus.
Lubricating devices.
Mechanical stokers.
Metal stacks on boilers.
Refrigerating - machinery and apparatus.
Rotary converters.
Sewer connections for machinery.
Special foundations for machines.
Steam - distribution systems within the plant.
Switchboards.
Tanks.
Tractors, trailers, and trucks, permanently assigned to power plants.
Transformers.
Turbines.
Water meters.
Well pumps.

NOTE A: The cost of power machinery and other apparatus installed in a shop as part of the shop equipment shall be included in account 44, "Shop machinery."

NOTE B: The cost of power machinery and other apparatus installed in station and office buildings shall be included in account 16, "Station and office buildings."

NOTE C: The cost of the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE D: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building and not in this account.

NOTE E: The cost of machinery and buildings of detached plants for producing power both for operating purposes and for sale shall be included in this account and in account 29, "Power plants," respectively. When plants are intended and used primarily for generating power for sale to non carriers the investment shall be included in account 737, "Miscellaneous physical property."

47 Unapplied Construction Material and Supplies.

This account shall include the cost of material and supplies located at the point of use which have been purchased for projected new roads and road extensions. The purpose of this account is to exclude from the current assets the cost of supplies and unapplied material which are located for use on projected new roads and road extensions, under the condition that the material will not be used for other purposes.

NOTE A: Material and supplies designed for projected new roads and road extensions which are carried in storehouses and store yards and included in the general stock of an operating company shall be included in balance-sheet account 712, "Material and supplies."

NOTE B: The cost of unapplied materials and supplies on hand at the completion of construction work shall be transferred to balance-sheet account 712, "Material and supplies."

Equipment

50 Equipment.

The several primary accounts included in this general account are designed to show the cost of the several classes of equipment owned by the carrier, or held under equipment trust agreements or other contractual obligations for purchase of the property.

51 Steam Locomotives.

This account shall include the cost of steam locomotives and tenders, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including the cost of inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

LIST OF APPURTENANCES TO LOCOMOTIVES

Air-brake equipment and hose.
Arm rests.
Awnings.
Brake fixtures.
Cab cushions.
Cab lamps.
Clocks.
Coal boards.
Fire-extinguishing apparatus.
Gongs.
Head lamps.
Metallic packing.
Pneumatic sanding equipment.
Seat boxes.
Signal lamps.
Speed recorders.
Steam-gauge lamps.
Steam-heat equipment and hose.
Storm doors.
Tool boxes.
Train-signal equipment and hose.

52 Other Locomotives.

This account shall include the cost of locomotives other than steam, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

NOTE: Cars with motor equipment are not to be classed as locomotives.

53 Freight-train Cars.

This account shall include the cost of freight-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and the cost of inspection and transportation charges to the carrier's line.

LIST OF FREIGHT-TRAIN CARS

Ballast (commercial).
Beer.
Box.
Cabin.
Caboose.
Charcoal.
Coal.
Coke.
Dump (commercial).
Flat.
Fruit.
Furniture.
Gondola.
Gondola (hopper).
Gondola (long).
Gun truck.
Hay.
Lime.
Logging.
Oil tank.
Ore.
Platform.
Poling.
Poultry.
Produce.
Rack.
Refrigerator.
Stock.
Tank and water (when used as commercial cars).

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS

Air-brake equipment, including hose.
Cooking equipment and utensils.
Heating equipment.
Ice boxes.
Lamps and fixtures.
Seats.
Speed recorders.
Train-signal equipment, including hose.
Water tanks.

54 Passenger-train Cars.

This account shall include the cost of passenger-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF PASSENGER-TRAIN CARS

Baggage.
Baggage-express.
Baggage-mail.
Baggage-mail-express.
Buffet.
Café, chair and club.
Dining.
Express.
Library.
Mail.
Milk.
Observation.
Parlor.
Parlor-baggage.
Passenger.
Passenger-baggage.
Passenger-baggage-mail.
Postal.
Refrigerator-express.
Sleeping.
Smoking.
Tourist.

LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS

Air-brake equipment, including hose.
Bedding.
Chairs.
Coat hooks.
Curtains and fixtures.
Cushions.
Electric bells.
Floor coverings.
Heating equipment.
Ice boxes.
Ice tanks.
Kitchen equipment and utensils.
Lighting equipment.
Mail catchers.
Parcel racks.
Ranges and boilers.
Seats.
Speed recorders.
Steam-heat hose.
Table china.
Table glassware.
Table linen.
Table silver.
Toilet equipment.
Train-signal equipment, including hose.
Water tanks.

56 Floating Equipment.

This account shall include the cost of marine or floating equipment of all kinds except work equipment, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF FLOATING EQUIPMENT

Barges.
Canal boats.
Car and other floats.
Ferryboats.
Lighters.
Power launches.
Power lighters.
Scows.
Steamboats.
Steamships.
Transfer boats.
Tugboats.

LIST OF APPURTENANCES TO FLOATING EQUIPMENT

Anchors.
Barometers.
Beds and bedding.
Binnacle lamps.
Blocks and tackle.
Boilers and foundations.
Cables.
Capstan bars.
Charts.
China, crockery, and glassware.
Chronometers.
Compasses.
Desks and furniture.
Engines and foundations.
Fire buckets and extinguishers.
Floor coverings.
Gangplanks.
Heating equipment.
Hoisting equipment.
Kitchen equipment.
Life preservers.
Lighting equipment.
Linen.
Logs.
Machinery and foundations.
Masts.
Pianos and other musical instruments.
Pumps.
Railings.
Rigging.
Sails.
Scales.
Seats, chairs, and cushions.
Spyglasses and telescopes.
Steam distribution systems.
Steering equipment.
Ticket cases.
Tool boxes and tools.
Tracks on car floats.
Ventilating equipment.

57 Work Equipment.

This account shall include the cost of work equipment, including motor-driven equipment, purchased or built by the carrier; cost of appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF RAIL WORK EQUIPMENT

Air-brake instruction cars.
Ballast cars.
Ballast unloader cars.
Boarding cars.
Bridge cars.
Business cars.
Camp cars.
Cinder cars.
Concrete mixers (mounted).
Derrick cars.
Dirt spreaders (mounted).
Ditching cars.
Dump cars.
Dynamometer cars.
Gas tank cars.
Grading cars.
Gravel cars.
Indicator cars.
Locomotive tanks used permanently as water cars.
Locomotives.
Officers' cars.
Outfit cars.
Painters' cars.
Pay cars.
Pile drivers (mounted).
Rail saws (mounted).
Salt cars.
Sanding cars.
Scale test cars.
Scraper cars.
Snow dozers.
Snow drags.
Snow plows (moved by but not attached to locomotives).
Sprinkling cars.
Steam shovels.
Steam wrecking derricks.
Supply cars.
Sweeper cars.
Tool cars.
Tool and block cars.
Water cars.
Weed burners (mounted).
Wrecking cars.

LIST OF FLOATING WORK EQUIPMENT

Derricks.
Dredges.
Pile drivers.

58 Miscellaneous Equipment.

This account shall include the cost of automobiles, and other highway vehicles.

59 Unapplied Material and Supplies; Equipment.

This account shall include the cost of unapplied material and supplies located at the point of use whch have been purchased specifically for the construction of new railroad equipment.

NOTE A: If material and supplies designated for new railroad equipment are carried in storehouses and storeyards as part of the general stock of the company, their cost shall be included in balance sheet account 712, "Material and supplies."

NOTE B: The cost of unapplied material and supplies on hand at the completion of construction work shall be transferred to balance sheet account 712, "Material and supplies."

General Expenditures

70 General Expenditures.

The primary accounts of this general account are designed to include expenditures made in connection with the acquisition and construction of original road and equipment, and with extension, additions, and betterments to road and equipment property, when such expenditures cannot properly be included in any of the foregoing accounts as a part of the cost of any specific work. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditures occur.

71 Organization Expenses.

This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities; and other like costs necessary and proper in organizing the enterprise.

NOTE: Cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to balance-sheet account 742, "Unamortized discount on long-term debt."

72 General Officers and Clerks.

This account shall include the pay and expenses of executive and general officers and of general office clerks engaged exclusively in connection with the construction of new road and extensions.

NOTE: The salaries and expenses of executive and general officers and of general office clerks engaged in connection with the conduct of commercial operations during the period before the regular operation of revenue trains shall be included in account 40, "Revenues and operating expenses during construction."

73 Law.

This account shall include specific and distinct expenditures, not provided for elsewhere, for law service in connection with the acquisition of new road, road extensions, additions, and betterments, such as pay and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices.

NOTE: Court costs and special counsel fees in connection with the acquisition of land for transportation operations shall be included in account 2, "Land for transportation purposes."

74 Stationery and Printing.

This account shall include the cost of stationery, stationery supplies, postage, office devices, and printed matter used by any class of employees in connection with construction and not provided for elsewhere.

NOTE A: The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account 742, "Unamortized discount on long-term debt."

NOTE B: The cost of stationery and printing when assignable, shall be included in the cost of the property in connection with the acquirement or construction of which the expenditure occurs.

75 Taxes.

This account shall include State, county, township, city, school, road, annual franchise, and all other taxes and assessments levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations, except special assessments for street and other improvements chargeable to account 39, "Public improvements—Construction."

NOTE: Taxes during construction, when assignable, shall be included in the cost of the property acquired or constructed.

76 Interest During Construction.

(a) When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original road and equipment, extensions, additions, and betterments, the interest accruing on the part of the debt representing the cost of property chargeable to road and equipment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to this account.

(b) When such securities are sold at a premium the proportion of such premium assignable to the time between the date of the actual issuance of the securities and the time when the property acquired or the improvement made becomes

available for service shall be credited to this account.

(c) This account shall also include such proportion of the discount and expense on funded debt issued for the acquisition of original road, original equipment, road extensions, additions, and betterments, as is equitably assignable to the period between the date of the actual issuance of securities and the time when the property acquired or the improvement made becomes available for the service for which it is intended. The proportion of discount and expense thus chargeable shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements acquired and the period of the entire life of the securities issued.

NOTE A: Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in this account, nor shall there be included any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for use in connection with commercial service.

NOTE B: If any securities which have been issued or assumed by the carrier are sold or exchanged by or for the carrier for a consideration the actual money value of which at the time of such sale or exchange is less than the value of the securities at par and the accrued interest thereon, if any, the difference between the money value of the consideration received and the par value of the securities plus the accrued interest shall be deemed a discount. In no case (except as provided in the third paragraph of this account) shall discounts be included as part of the cost of anything charged to any account prescribed in this classification.

NOTE C: Whenever interest, premium, or discount assignable to the construction period is incurred in connection with an expenditure covered by some specific roads and equipment account or accounts, such interest, premium, or discount shall be charged directly to the specific accounts to which it is related.

NOTE D: This account shall not include interest during the construction period on the carrier's own funds expended in connection with the acquisition or construction of original road and equipment, extensions, additions, and betterments.

77 Other Expenditures; General.

This account shall include all expenditures of a special and incidental nature in connection with the acquisition and construction of original road and equipment, road extensions, additions, and betterments which cannot properly be included in any other account in this classification.

80 Other Elements of Investment.

(a) This account shall include elements of investment in property not includible in other primary property accounts. When property is retired from service a fair portion of the amount in this account assignable to such property shall be cleared on a consistent basis. The amount of charges so cleared shall be included in the operating expense account prescribed for loss from property retired, unless a reserve previously has been provided against which the amount is now chargeable.

(b) The amount cleared for property retired shall include a fair portion of any of the remaining credit balance recorded in this account as of the time of a merger, purchase or reorganization pursuant to instruction 2–14, Merger, consolidation, and purchase, and 2–15, Reorganization of railway. The amount of credits so cleared assignable to retirements of property classified as nondepreciable (for which a reserve for loss from retirements has not been provided) shall be applied to reduce the loss otherwise chargeable to operating expenses or to retained income, when use of the retained income account for the loss has been authorized by the Commission. Any material amount of credit in this account 80, "Other elements of investment," equitably assignable to nondepreciable property previously retired and charged off to operating expenses or retained income shall be cleared and credited to account 606, "Other credits to retained income"; any material amount of debit in account 80, "Other elements of investment," equitably assignable to property previously retired shall be cleared and charged to account 616, "Other debits to retained income."

(c) Any portion of a credit balance in this account 80, "Other elements of investment," arising from a merger, purchase or reorganization that is equitably assignable to property for which a depreciation or other reserve has been provided and which reserve is now adequate to take care of losses from retirements shall be disposed of as soon as practicable consistent with the procedure indicated in paragraph (d) hereunder for disposition of the amount in account 80, "Other elements of investment."

(d) In addition to the items hereinbefore described directly assignable to property retired, other amounts are, when authorized or directed by the Commission, to be cleared and written off gradually within a reasonable period of time or disposed of immediately in conformity with sound accounting principles. Statement of accounting covering amounts to be written off gradually and journal entries covering amounts disposed of immediately, as the case may be, shall be submitted to the Commission with suitable supporting detail for consideration and shall become final only after approval by the Commission. The carrier shall maintain a record of items charged to and items cleared from this account and the basis used in computing such items.

RAILWAY OPERATING REVENUE ACCOUNTS

100 Transportation; Rail Line.

The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive or which accrue to its benefit from service rendered in transporting property or persons by rail line.

101 Freight.

(a) This account shall include revenue from the transportation of freight and from transit, stop, and reconsigning privileges, upon the basis of lawful tariff rates.

(b) This account shall include collections in excess of tariff charges, except where such amounts are segregated and held subject to refund. Charges found to be uncollectible on shipments for which service has been rendered shall be charged to this account.

(c) Proceeds derived from the sale of unclaimed and refused freight which has been transported in accordance with the contract of shipment shall be credited to this account in cases where such items can be readily identified. Uncollected tariff charges on such shipments shall be charged to this account.

ITEMS TO BE CREDITED

(a) Revenue upon the basis of local freight tariff rates, regardless of class of train in which the freight is transported.
(b) The carrier's proportion of revenue upon the basis of through freight tariff rates, regardless of class of train on which the freight is transported.
(c) Revenue from transportation of mail matter, and empty mail pouches, at freight tariff rates.
(d) Revenue from transportation of freight on special trains at rates based on weights of shipments.
(e) Revenue on basis of classifications and freight tariffs from transportation of caretakers of freight shipments.
(f) Revenue from reconsigning privileges.
(g) Revenue from stop privileges.
(h) Revenue from transit privileges.
(i) Revenue upon the basis of arbitraries out of freight rates for water transfers (ferriage, lighterage, and floatage).

ITEMS TO BE CHARGED

(a) Amounts paid as bridge and ferry arbitraries on freight.
(b) Amounts paid for completing a haul.
(c) Amounts paid for elevation of freight.
(d) Amounts paid for switching services, in connection with the transportation of freight, on the basis of switching tariffs, and allowances out of through rates, including amounts paid for switching empty cars in connection with a freight revenue movement.
(e) Amounts paid for transferring freight between stations.
(f) Arbitraries and allowances to others for lighterage and wharfage.
(g) The carrier's proportion of overcharges resulting from the use of erroneous rates, weights, classifications or computations.
(h) The carrier's proportion of refunds on account of errors in routing and billing.
(i) The carrier's proportion of uncollected revenue on freight lost or destroyed in transit.
(j) The carrier's proportion of uncollected tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.
(k) Amounts paid on basis of tariff rates for loading and unloading livestock.

NOTE A: Amounts paid for switching empty cars otherwise than in connection with loaded movements shall be charged to operating expense account 411, "Other expenses," except that amounts paid for switching equipment for repairs shall be included in the appropriate equipment repair accounts.

NOTE B: Other carriers' proportion of revenue and of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to operating expense account 411, "Other expenses."

NOTE C: Other carriers' proportion of revenue paid by the carrier on freight lost, destroyed, or damaged in transit, for which neither consignees nor consignors are liable shall be charged to operating expense account 418, "Loss and damage—Freight."

NOTE D: When a lessee company transports freight over the tracks of another carrier on the basis of a proportion of revenues under a joint arrangement, it shall include the entire compensation in its revenues and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company, and the lessor company shall credit the corresponding accounts.

NOTE E: The accrued revenue derived from the transportation of cream, sweet milk, etc., on a basis of lawful tariffs at rates per package, regardless of weights, shall be included in account 109, "Milk."

NOTE F: Revenue from the transportation of caretakers of freight shipments, when not included as a part of the freight charges on the waybill covering the freight shipments, shall be credited to account 102, "Passenger."

NOTE G: This account shall be maintained so as to show separately payments and allowances (a) to railway express agencies, (b) to motor truck companies and others, and (c) to shippers and consignees, for terminal collection and delivery services when performed in connection with line haul transportation of freight on the basis of freight tariff rates; also (d) payments for switching services when performed in connection with line haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement, and (e) payments on basis of tariff rates for loading and unloading livestock.

102 Passenger.

This account shall include the revenue from transportation of passengers at passenger tariff fares; from the transportation of passengers at special fares as provided by law, and from incidental charges in connection therewith.

ITEMS TO BE CREDITED

(a) Revenue from local passenger fares.
(b) The carriers' proportion of revenue from interline passenger fares.
(c) Revenue from extra fares.
(d) Revenue from additional fares or charges for exclusive use of a passenger car, drawing room, compartment, bedroom, etc.
(e) Revenue from mileage and scrip coupons honored for all services covered by this account.
(f) Revenue from transportation of passengers in special cars or on special trains when charge is based on passenger fare per capita, regardless of the number of passengers actually transported.
(g) Revenue from a guaranteed minimum amount not based on per capita fare, for transportation of passengers on special or chartered trains.
(h) Cash fare penalty collections.
(i) Unclaimed collections and deposits for transportation of passengers.
(j) Passenger fare overcharges.
(k) Revenue from transportation of corpses, based on passenger fares.
(l) Revenue from water transfers (ferriage), bridge tolls, and transfers between railway stations or between railway stations and docks, received as arbitraries in division of passenger fares.

ITEMS TO BE CHARGED

(a) Amounts paid as bridge tolls, and also for ferry, depot to depot and depot to dock passenger transfer service.
(b) Amounts paid for switching in completing a passenger transportation movement.
(c) Amounts paid for switching empty passenger-train cars in connection with transportation of passengers. (See Note C.)
(d) Redemptions of unused and partially unused local tickets and redemptions of carrier's proportions of unused and partially unused interline tickets.
(e) Refund of extra fares, cash fare penalty collections, and overcharges in excess of tariff fares.
(f) Uncollectible undercharges.

NOTE A: Gross receipts from the sale of mileage tickets, and scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of coupons as honored, in connection with any of the services provided for in "Items To Be Credited."

NOTE B: When a lessee company transports passengers over the tracks of another company under a joint arrangement upon the basis of a proportion of the passenger revenue, it shall include the entire compensation in its passenger revenue and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company and the lessor company shall credit the corresponding joint facility accounts.

NOTE C: Amounts paid for switching empty passenger-train cars otherwise than in connection with loaded movements, shall be charged to account 411, "Other expenses," except that when switched for repairs, the amounts paid shall be included in account 317, "Passenger-train cars—Repairs."

NOTE D: Revenue from the transportation of automobiles, with or without trailers, in freight service, in connection with the transportation of passengers, also revenue from loading and unloading automobiles at point of origin, destination, or enroute, shall be credited to account 101, "Freight."

103 Baggage.

This account shall include the revenue from the transportation of baggage, packages, baby carriages, bicycles, household pets, dogs, etc., on passenger trains at other than freight or express tariff rates.

LIST OF ITEMS

(a) Revenue from transportation of baggage in excess of free allowances.
(b) Revenue from transportation of packages, baby carriages, bicycles, household pets, dogs, etc., at baggage tariff rates.
(c) Revenue from transportation of baggage or other articles based upon excess value.
(d) Revenue from transportation of baggage when passenger does not make corresponding trip.
(e) Revenue from excess weight of corpses based on baggage tariff charges and from special charges for transferring corpses between depots.

(b) This account also shall include

traries on freight.
(b) Amounts paid for completing a haul.
(c) Amounts paid for elevation of freight.

NOTE C: This account shall be credited with amounts received so as to show separately payments and allowances (a) to railway express agencies, (b) to (See Note C.)

(f) Revenue from scrip coupons honored for any of the above-mentioned service. (See Note B.)
(g) Overcharges on baggage transactions.
(h) Revenue from transportation of emergency shipments and articles based on double gross weight, etc.
(i) Amounts received specifically to cover movement of special or chartered baggage cars including transportation of attendants regardless of whether the charge is based upon passenger tariff fares, a stated minimum, or any other basis. This includes box cars when used for baggage service.
(j) Revenue from issuing duplicate baggage checks.

NOTE A: Revenue derived from transportation of shipments of silk, fish, etc., in passenger trains at freight rates, shall be included in account 101, "Freight."

NOTE B: Amounts of refunds, uncollectible undercharges, etc., involved in these credits, shall be charged to this account.

NOTE C: Gross receipts from the sale of baggage scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of the coupons as honored for any of the services covered by this account.

104 Sleeping Car.

This account shall include the revenue from berth and seat accommodations furnished in sleeping cars on the basis of berth or seat rates for the space occupied.

105 Parlor and Chair Car.

This account shall include the revenue from seat accommodations furnished in parlor, observation, chair, and other special passenger cars when operated in passenger-train service or in special-train service at seat rates for space occupied.

106 Mail.

This account shall include the revenue from the transportation of mail at established rates for specified routes; from the use of railway post-office cars when in carrier's service transporting mails; from the use of special mail facilities; and from bonuses for special mail transportation. To this account shall be charged fines and penalties imposed by the Government when not collected from agents or employees.

NOTE: The revenue from the transportation of mail matter and empty mail pouches on freight trains at freight tariff rates shall be included in account 101, "Freight."

107 Express.

This account shall include the revenue from transportation of express matters and from use of facilities on trains and at stations incident to such transportation. When a railway company transacts an express business through its regular railway organization, the revenue therefrom shall be credited to this account.

NOTE: When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in revenue account 142, "Rents of buildings and other property."

108 Other Passenger-train.

This account shall include the revenue derived from the operation of passenger trains not provided for elsewhere.

LIST OF ITEMS

(a) The carrier's proportion of contract revenue derived from the operation over its line of sleeping, parlor, chair, observation, and other special passenger-train cars, owned and operated by companies other than The Pullman Company.
(b) Value of portions of mileage tickets or coupons, scrip books or coupons, including baggage, circus and show scrip, unpresented and unredeemed.
(c) Revenue from transportation of newspapers at local tariff rates or at proportions of interline tariff rates.

109 Milk.

This account shall include the revenue from the transportation of cream, sweet milk, skim milk, sour milk, buttermilk, condensed milk, butterfat, and smearcase or pot cheese, upon the basis of lawful tariffs at rates per package, regardless of weights.

NOTE: The revenue from the transportation of milk upon the basis of lawful tariffs at rates per specified weights shall be included in revenue account 101, "Freight."

110 Switching.

(a) This account shall include the revenue from switching service upon the basis of lawful tariff rates. To this account shall be credited the carrier's revenue upon the basis of tariff rates, or the carrier's allowance out of through rates, from the switching of cars of all kinds, loaded or empty, either locally at a station or within a switching district, between connecting lines, between local industries, or between connecting lines and local industries; revenue upon the basis of distinct tariff rates for "trap-car" and "ferry-car" service and for spotting cars; also the revenue from interwork switching at industrial plants, and the revenue from "penalty switching" incident to the improper delivery of cars by other carriers.

(b) To this account shall be charged amounts paid others for switching when such switching service is provided for in the switching rate charged by the carrier.

NOTE: "Penalty switching" charges paid by the carrier shall be included in expense account 411, "Other expenses."

113 Water Transfers.

(a) This account shall include the revenue, from the transfer by water (ferriage, lighterage, and floatage) of passenger, freight, vehicles and livestock, upon the basis of lawful local tariff rates.

(b) This account also shall include revenue from water transfers of other traffic, such as the revenue from towing beyond lighterage limits and all other towing for which an extra charge is made; insurance of freight afloat when billed out at other than cost; storage of freight afloat; grain overage in boats; pumping performed for outside parties; and from other similar sources.

(c) To this account shall be charged amounts payable to other companies or individuals for extra lighterage, extra towing, and for all other service when such payments represent revenue collected and credited to this account and not a direct expense.

NOTE: No revenue shall be included in this account for water transfers of passengers or shipments upon the basis of arbitraries out of rates for transportation involving rail line haul.

Incidental Revenue Accounts

130 Incidental.

The primary accounts included in this general account are designed to show the amounts which the carrier becomes entitled to receive from services rendered incidentally with rail-line and water-line transportation, for the use of facilities of which the expenses for operation and maintenance are not separable from railway expenses, and from incidental sources not provided for elsewhere.

131 Dining and Buffet.

This account shall include the revenue from dining and buffet service on trains and transfer boats.

ITEMS TO BE CREDITED

(a) Revenue from lunches furnished.
(b) Revenue from meals furnished.
(c) Revenue from liquors furnished.
(d) Revenue from tobacco furnished.
(e) Revenue from cigars and cigarettes furnished.

132 Hotel and Restaurant.

This account shall include the revenue from hotels, restaurants, and station lunch counters.

ITEMS TO BE CREDITED

(a) Revenue from the rent of rooms.
(b) Revenue from the use of baths.
(c) Revenue from the use of billiard tables.
(d) Revenue from the use of bowling alleys.
(e) Revenue from lunches furnished.
(f) Revenue from meals furnished.
(g) Revenue from liquors furnished.
(h) Revenue from tobacco furnished.
(i) Revenue from cigars furnished.
(j) Revenue from cigarettes furnished.
(k) Revenue from newspapers furnished.
(l) Revenue from periodicals furnished.
(m) Revenue from tonsorial service.
(n) Revenue from laundry work.

NOTE: This account shall not include the revenues from hotels and restaurants which are entirely distinct from the carrier's transportation plant and the cost of which is included in balance-sheet account 737, "Miscellaneous physical property."

133 Station, Train, and Boat Privileges.

This account shall include revenue from weighing, vending, and other automatic machines located at stations; from advertising at stations and on trains and on transfer boats; from the privilege of operating news stands at stations and selling papers, periodicals, fruit, etc., on trains and on transfer boats; from telephone companies for the privilege of installing and operating commercial telephones at stations; from the operation of eating houses and dining and buffet service on trains and transfer boats when such operation is conducted by individuals or companies other than railway companies and when the expenses incurred by the carrier in connection therewith are not separable from its regular operating expenses; and from similar sources.

135 Storage; Freight.

This account shall include the revenue from the storage of freight.

137 Demurrage.

This account shall include the revenue from the detention of cars incident to loading, unloading, reconsigning, and stops in transit upon the basis of lawful tariffs for demurrage.

138 Communication.

This account shall include the revenue from commercial operation of telegraph, telephone, radio, and all other forms of communication systems. It shall also include amounts received from commercial operators of such systems, whether as a proportion of earnings or otherwise, for the privilege of transacting business in offices along the carrier's lines, but only when the carrier furnishes some service of employees whose pay is included in its operating expenses.

139 Grain Elevator.

This account shall include the revenue from the operation of grain elevators.

ITEMS TO BE CREDITED

(a) Revenue from the elevation of grain.
(b) Revenue from the storage of grain.
(c) Revenue from bagging grain.
(d) Revenue from screening grain.
(e) Revenue from blowing grain.
(f) Revenue from cooling grain.
(g) Revenue from clipping grain.
(h) Revenue from cleaning grain.
(i) Revenue from mixing grain.
(j) Revenue from transferring grain in elevators.
(k) Revenue from loading grain into and unloading grain from boats not covered by elevation charges.
(l) Revenue from trimming grain in boats when performed by elevator employees.
(m) Revenue from the sale of screenings and sweepings.
(n) Revenue from inspecting grain in elevators.

141 Power.

This account shall include the revenue from the sale of electric current and other power.

142 Rents of Buildings and Other Property.

This account shall include the revenue from the exclusive use of buildings and other property or portions thereof, such as depot and station grounds and buildings, general and other offices, wharves, ferry landings, elevators, stockyards, fuel yards, enginehouses, repair shops, and section and other houses, when the property is operated and maintained in connection with the property used in the carrier's transportation operations and the expenses of maintaining and operating the rented portion cannot be separated from the expenses of that portion used by the carrier.

NOTE: When the expenses of maintaining and those of operating property rented to others are separable, the rents received shall be credited and the expenses of maintenance and operation shall be charged to appropriate income accounts.

143 Miscellaneous.

This account shall include the revenue from railway operations not provided for elsewhere.

LIST OF ITEMS

(a) Amounts received for privilege of cutting hay along the right of way.
(b) Commissions received for collecting premiums on insurance policies from employees and installment payments for books, watches, etc., sold by dealers to employees.
(c) Profit from jobbing and installing electric power lines for others.
(d) Revenue from boat demurrage.
(e) Revenue from freight and passenger privileges over a carrier's wharves and docks.
(f) Revenue from garnishee fees.
(g) Revenue from operation of coal and ore wharves, cold-storage plants, coal-storage plants, cotton-compress plants, and wood-preserving plants.
(h) Revenue from privilege of mooring and anchoring boats at wharves and docks.
(i) Revenue from the sale of cinders produced by carrier.
(j) Revenue from use of carrier's bridges by pedestrians, streetcar lines, vehicles, etc.
(k) Revenue from temporary use of carrier's tracks for detouring trains, etc.
(l) Revenue from use of tracks incident to delays in loading or removing freight.
(m) Revenue from water furnished boats from water stations operated by the carrier.
(n) Revenue from weighing cars.
(o) The carrier's proportion of gross revenue from operation of clergy bureaus.
(p) The carrier's proportion of gross revenue from operation of ticket validation agencies.
(q) Collections made by station ushers (Red Caps) for the handling of passenger baggage.
(r) Revenue from loading and unloading livestock in transit by railroad, and from feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for such stock.
(s) Revenue from operation of parcel rooms, and from storage of baggage.

NOTE: When a bridge of one carrier is jointly used by itself and another carrier and such use is paid for on the basis of flat rent or charge per train-mile or toll per passenger, per ton, or per car, the compensation therefor shall be credited to the appropriate joint facility, operating expense, and income accounts.

JOINT FACILITY REVENUE ACCOUNTS

150 Joint Facility.

The primary accounts included in this general account are designed to show the carrier's proportion of revenues collected by others in connection with operation of joint facilities and the amount payable by the carrier to other companies from operation of joint facilities.

151 Joint Facility—Cr.

This account shall include the carrier's proportion of revenue collected by others in connection with the operation of joint tracks, yards, terminals, and other facilities, including revenue from hotels, restaurants, grain elevators, sale of power, and other miscellaneous operations.

NOTE A: The purpose of this account is to show the amounts of revenue from the operation of joint tracks, yards, terminals and other facilities operated by other companies, which under existing contracts or agreements are credited by the operating company to the tenant companies which participate therein. The bill rendered by any creditor company against a debtor company for the latter's proportion of the expense of maintenance and operation of joint facilities, which includes also a credit covering a proportion of the revenue to be paid over, shall show the distribution of the credit for such proportion of the revenue separately from the distribution of the expense of operation.

NOTE B: No credits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 and 131.

152 Joint Facility—Dr.

This account shall include that proportion of revenue from the operation of joint tracks, yards, terminals, and other facilities, which is creditable to other companies, including revenue from hotels, restaurants, grain elevators, sale of power, and other miscellaneous operations.

NOTE A: The purpose of this account is to show the amount of revenue from operation of a terminal company or other carrier which, under the terms of existing contracts or agreements covering the joint use of tracks, yards, and other facilities, is credited to other carriers that participate in the benefits from such joint use. The bill rendered by a creditor company against a debtor company for the latter's proportion of expense of maintaining and operating joint facilities, which includes a credit covering the debtor company's proportion of the revenues from operation of such joint facilities, shall indicate separately the proper distribution of both the revenues and the expenses included in the bill, and such distribution shall be adhered to by the debtor.

NOTE B: No debits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 and 131.

RAILWAY OPERATING EXPENSE ACCOUNTS

Maintenance of Roadway and Structures

200 Maintenance of Way and Structures.

The primary accounts included in this general account are designed to show the expenses of maintaining road property devoted to railway operations, with the exception of shop machinery, power plant machinery, and power plant apparatus, the expenses of maintaining which are includible in general account 300, "Maintenance of equipment." The accounts for maintenance of way and structures shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, hotels and restaurants, grain elevators, stockyards, producing power sold, and other miscellaneous operations.

201 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of roadway and structures.

LIST OF OFFICERS

Vice president.
Assistant vice president.
General manager; Assistant.
General superintendent; Assistant.
Chief engineer.
Engineer.
Division engineer.
Bridge engineer.
Chief signal engineer.
Assistant engineers.
Architect.
Roadmaster; Assistant.
Master carpenter; Assistant.
Master mason.
Superintendent of roadway structures.
Superintendent of scales.
Inspector of maintenance.
Building inspector.
Inspector of roadway stores.
Supervisor; Assistant.
Fire Chief.
Fire inspector.
Sanitary inspector.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on the business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Chief clerk and other clerks and stenographers.
Draftsmen, transitmen, levelmen, rodmen and chainmen.
Janitors, messengers, cooks, and porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also amounts paid detective agencies; and others for investigations in connection with maintenance of way and structures.

GENERAL EXPENSE AND SUPPLIES

Atlases, maps, and books for office use.
Business car service.
Fees and dues in associations.
Furniture repairs and renewals.
Heating, lighting and power.
Official train service.
Periodicals and newspapers.
Provisions for business cars.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

SUPPLIES FOR TECHNICAL ASSISTANTS

Barometers.
Cameras, and compasses.
Camp equipage.
Chains for surveyors.
Drafting boards and instruments.
Field glasses, magnets, and magnifiers.
Marking chalk.
Papers, blue-print.
Planimeters.
Plummets.
Protractors.
Ranging poles.
Reading glasses.
Rods for surveyors.
Sextants.
Slide rules.
Telescopes, and thermometers.
Transits, traverse tables, triangles, and tripods.
Other supplies.

NOTE A: When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed shall be charged to the work upon which engaged.

NOTE B: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: No part of the pay and expenses of the officers and employees designated above shall be charged to other primary accounts under account 200, "Maintenance of way and structures."

NOTE D: The cost of stationery for maintenance of way and structures offices is chargeable to account 276, "Stationery and printing."

202 Roadway Maintenance.

This account shall include:

(a) *Care of roadbed.* The cost of repairing roadbed.

ITEMS OF EXPENSE

Blasting rocks.
Building temporary tracks around slides and washouts.
Repairing and cleaning tile ditches, open ditches, and drains.
Crowning track ties with retaining earth.
Filling borrow and cattle pits.
Keeping tracks clear and repairing sub-grade in case of washouts.
Landscape gardening along roadway.
Oiling roadbed.
Post driving and pressure grouting to promote stability of roadbed.
Removing temporary tracks around slides and washouts.
Removing dangerous rocks.
Removing slides.
Repairing roadbed damaged by washouts.
Restoring roadbed, cuts, fills, and embankments to standard width.
Sloping cuts.
Sodding roadway.

NOTE A: The cost of drains or sewers laid under tracks shall be included in account 208, "Bridges, trestles, and culverts." The cost of landscape gardening within the limits of the grounds around buildings shall be included in the appropriate repair accounts for buildings.

(b) *General cleaning.* The cost of cutting, removing, and disposing of brush, grass, and weeds from the right of way; plowing and digging fireguards; dressing ballast and cutting sod lines; removing miscellaneous scrap, drift, cinders, dirt, and other material from right of way and from road and terminal tracks (including tracks at stations, engine yards, and car yards); and cleaning streets used as roadways.

NOTE B: Loading ashes at engine-yard tracks shall be charged to the engine-house expense accounts.

(c) *Watching roadway.* The cost of extinguishing fires on right of way and adjacent thereto, and of walking, watching, and patrolling tracks and right of way.

NOTE C: The cost of watching and patrolling bridges, buildings, and miscellaneous property is provided for in accounts specifically relating to such property.

(d) *Bank protection.* The cost of repairs to riprap, piling, dikes, piers, breakwaters, revetments and retaining walls, which were placed or constructed for bank protection.

(e) *Train service.* The cost of work-train service in connection with work pertaining to roadway maintenance.

(f) *Track changes.* The cost of roadway work in connection with taking up and relocating tracks.

(g) *Other expenses.* The cost of roadway work not provided for elsewhere, such as official roadway inspection train service and premiums in connection with roadway maintenance.

NOTE D: Tools and supplies used by repairmen and watchmen in roadway maintenance service shall be charged to account 271, "Small tools and supplies."

206 Tunnels and Subways.

This account shall include the cost of repairing, ventilating, lighting, and watching tunnels and subways for the passage of trains, and the cost of special tools and supplies furnished in connection with the work.

NOTE: The cost of repairs to signals and to roadway and tracks in tunnels shall be charged to the appropriate maintenance of way accounts and not to this account.

208 Bridges, Trestles, and Culverts.

This account shall include the cost of repairing (including fuel and supplies used) and watching bridges, trestles, and culverts, including altering and bracing during process of filling, dredging and cleaning water channels for protection, and cleaning culverts. The bridges, trestles, and culverts referred to in this account include only structures which carry the carrier's own tracks.

DETAILS OF BRIDGE STRUCTURES

Abutments.
Bridge signs.
Cofferdams.
Concrete and masonry ends for culverts.
Cribs.
Decking, including gravel for fire protection.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge engines and machinery.
False work.
Guard timbers.
Ice breakers.
Painting.
Pier protection.
Piers and foundations.
Pipe culverts.
Retaining walls.
Riprap around abutments.
Riprap at culvert ends.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE: When a part of the entire structure of a bridge or trestle is converted, by filling into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to road and equipment account 6, "Bridges, trestles, and culverts." In case the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such a temporary trestle shall be charged to road and equipment account 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to road and equipment account 3, "Grading," shall be charged to account 735, "Accrued depreciation—Road and equipment."

210 Elevated Structures.

This account shall include the cost of repairing elevated structures and foundations of elevated railway systems.

212 Ties.

This account shall include the cost of cross, switch, bridge, and other track ties used in repairs of tracks.

NOTE A: The cost of labor for unloading, distributing, and putting ties in tracks, the cost of work-train service in connection with the distribution of the ties laid, and the cost of picking up and concentrating or disposing of the ties released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The excess cost of metal ties applied in place of wooden ties over the cost at current prices of replacing in kind the wooden ties removed shall be charged to road and equipment account 8, "Ties."

NOTE C: The cost of ties used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of ties used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

214 Rails.

This account shall include the cost, less salvage, of rails used in the repairs of tracks; also the cost (estimated if actual is not known) of the excess in weight of heavy rails removed and lighter rails applied in repairs of tracks.

NOTE A: The cost of labor for unloading, distributing and putting rails in tracks, the cost of work-train service in connection with the distribution of the rails laid, and the cost of picking up and concentrating the rails released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The cost of the excess weight of heavier rails applied in repairs of tracks in replacement of lighter rails shall be included in account 9, "Rails."

NOTE C: The cost of rails used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts and of rails used for repairs of tracks on car floats to account 323, "Floating equipment—Repairs."

216 Other Track Material.

This account shall include the cost (less salvage) of all track material used in the repairs of tracks, other than ballast, ties, and rails.

ITEMS OF EXPENSE

Angle bars.
Anticreepers.
Connecting rods.
Derails.
Frog and guard-rail blocking.
Frogs.
Guard-rail clamps.
Guard-rail fasteners.
Guard rails.
Main rods.
Nut locks.
Nuts.
Offset bars.
Rail braces.
Rail chairs.
Rail clips.
Rail joints.
Rail rests.
Rail shims.
Rail splices.
Splice bars.
Step chairs.
Switch chairs.
Switch crossings.
Switch lamps.
Switch locks and keys.
Switch points.
Switch stands.
Switch-stand bolts.
Switch targets.
Switches.
Tie plates.
Tie plugs.
Tie-rods.
Track bolts.
Track insulators.
Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" used, and the cost of picking up and concentrating the material released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The excess cost of improved or heavier track material applied for repairs of tracks, under a definite plan of changing standards, over the cost, at current prices, of material of the same weight and quality as that released, shall be charged to road and equipment account 10, "Other track material."

NOTE C: The cost of "other track material" used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of such track materials used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

218 Ballast.

This account shall include the cost of gravel, stone, slag, cinders, sand, and like ballast material used in the repairs of tracks, including the cost of work-train service and of unloading the material. When the ballast taken from a pit is not sufficient to justify the opening of a clearing account, the cost of gravel

and quarry rights and cost of sinking test holes shall be included in this account.

NOTE A: The cost of loading cinders at ash pits shall be charged to account 388, "Enginehouse expenses—Yard," or to account 400, "Enginehouse expenses—Train." No charge to cover the value of cinders accumulated by the carrier shall be included in this account.

NOTE B: The cost of labor putting ballast in tracks shall be included in account 220, "Track laying and surfacing."

NOTE C: The excess cost of ballasting tracks over the cost of replacing in kind to its maximum height and width the ballast previously put in the roadbed shall be charged to road and equipment account 11, "Ballast."

NOTE D: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE E: The cost of ballast used for repairs of temporary tracks, such as gravel pit or quarry tracks, shall be included in the appropriate clearing accounts.

220 Track Laying and Surfacing.

This account shall include:

(a) *Applying ballast.* The cost of labor expended in preparing the roadbed, and applying ballast for repairs of tracks.

(b) *Applying ties.* The cost of labor expended in unloading, distributing and applying ties for repairs of tracks; in gathering up and disposing of the ties released; and in respacing ties.

(c) *Applying rails.* The cost of labor expended in unloading, distributing, cutting, slotting, drilling, adzing for, and laying rails for repairs of tracks; in gathering up and loading rails released; and in adjusting for expansion and contraction of rails.

(d) *Applying other track material.* The cost of labor expended in unloading, distributing, and applying other track material for repairs of tracks; and the cost of gathering up and loading the material released.

(e) *Track maintenance.* The cost of labor expended in alining, surfacing, gauging, and shimming tracks; in tightening track bolts and track spikes; in restoring rails, ties, and ballast in case of washouts, derailments, and wrecks; and in taking up tracks.

(f) *Train service.* The cost of work-train service (except work trains distributing ballast material) in connection with work pertaining to track laying and surfacing.

(g) *Track changes.* The cost of track work (exclusive of the cost of track material) in taking up and relocating tracks.

(h) *Other expenses.* The cost of track laying and surfacing work not provided for elsewhere, and expenses, such as repairing and replacing rail rests, official track inspection train service, and premiums in connection with track repairs.

NOTE: Tools and supplies used by track repairmen and watchmen shall be charged to account 271, "Small tools and supplies."

221 Fences, Snowsheds, and Signs.

This account shall include:

(a) *Fences.* The cost of repairing right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of repairing snowsheds, including cost of replacing trees for protecting tracks from snow.

(c) *Signs.* The cost of repairing signs other than those for identification of bridges, signals, stations, and other structures. (For items of signs see account 13, "Fences, snowsheds, and signs.")

NOTE A: The cost of repairing fences (other than right-of-way boundary fences) around stockyards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of repairs of the structures.

NOTE B: The cost of repairing signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of repairs of the structures.

NOTE C: The cost of repairing crossing signals, including crossing gates, shall be included in account 249, "Signals and interlockers."

227 Station and Office Buildings.

(a) This account shall include the cost of repairing station and office buildings, fixtures, and appurtenances (including those for heating and lighting), used by the carrier in its operations; also the cost of maintaining grounds appurtenant to such buildings.

(b) A list of stations and office structures and appurtenances appears in property account 16, "Station and office buildings."

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by station or office employees, shall not be included in this account.

229 Roadway Buildings.

(a) This account shall include the cost of repairing roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and their connections, machinery and other apparatus, fixtures, and furniture in the buildings; also the cost of maintaining the grounds appurtenant to such buildings.

(b) A list of roadway structures appears in property account 17, "Roadway buildings."

NOTE A: The cost of repairing signal and interlocker buildings and their appurtenances shall be included in account 249, "Signals and interlockers."

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in the buildings, shall not be included in this account.

231 Water Stations.

(a) This account shall include the cost of repairing water stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

(b) A list of water stations and appurtenances appears in property account 18, "Water stations."

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by water station employees, shall not be included in this account.

233 Fuel Stations.

(a) This account shall include the cost of repairing fuel stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

(b) A list of fuel station structures and details appears in property account 19, "Fuel stations."

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by fuel station employees, shall not be included in this account.

235 Shops and Enginehouses.

(a) This account shall include the cost of repairing shop and enginehouse buildings, fixtures, and appurtenances used by the carrier in repairing and preparing equipment, and the cost of maintaining the grounds appurtenant to such buildings.

(b) A list of shop and enginehouse structures and details appears in property account 20, "Shops and Enginehouses."

NOTE A: The cost of repairing machinery and other apparatus, including special foundations in shops for maintenance of equipment shall be included in account 302, "Shop machinery."

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by shop employees, shall not be included in this account.

237 Grain Elevators.

(a) This account shall include the cost of repairing structures for the transfer, treatment, and storage of grain, including conveyors, machinery and fixtures; also the cost of maintaining the grounds appurtenant to such buildings.

(b) The buildings referred to in this account are large elevators in which a regular grain business is handled or grain is stored for various owners.

NOTE A: Small storage elevators at way stations, where the freight is received for shipment, etc., are classed as station buildings.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by grain elevator employees shall not be included in this account.

239 Storage Warehouses.

This account shall include the cost of repairing storage warehouses, including machinery and fixtures therein; also the cost of maintaining the grounds appurtenant to such warehouses. The buildings referred to in this section are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but are warehouses in which merchandise is stored and which the carrier operates as storage warehouses.

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by storage warehouse employees, shall not be included in this account.

241 Wharves and Docks.

(a) This account shall include the cost of repairing wharves located at marine, lake, or river docks; dredging waterways to approaches and around such structures, including removal of dredged-out material; and cutting ice in and around docks and wharves to prevent damage; also cost of repairs of cribwork, racks, or caissons for preserving

the depth of water in docks; and cost of repairs of guards, piling, and other protection against damage by drift or ice.

(b) A list of details of wharves and docks appears in property account 23, "Wharves and docks."

NOTE A: The cost of repairing buildings, tracks, and machinery (not bridge machinery) on wharves and piers shall be charged to the appropriate expense accounts.

NOTE B: The cost of repairing coal and ore wharves shall be charged to account 243, "Coal and ore wharves."

NOTE C: Incidental cleaning, when done by regular wharf employees, shall not be included in this account.

243 Coal and Ore Wharves.

This account shall include the cost of repairing wharves and docks, including the cost of repairing conveyors, machinery, and fixtures for the transfer, treatment, blending, or storage of coal or ore.

NOTE A: The structures referred to in this account do not include small transfer or storage trestles at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by coal and ore wharf employees, shall not be included in this account.

247 Communication Systems.

(a) This account shall include the cost of repairing telegraph, telephone, radio, radar, inductive train communication, and other communication systems, including terminal equipment.

(b) Details of telegraph and telephone terminal equipment; telegraph and telephone outside plant; radio, radar, and inductive train communication equipment, and other items appear in property account 26, "Communications systems."

NOTE A: Repairs of radio, radar, or trainphone equipment (except portable apparatus) which is permanently attached to locomotives, cars, work equipment, or other rolling stock or floating equipment shall be included in the same account as repairs of the equipment on which installed. Repairs of wireless sets for instructions, advertising, or entertainment shall be included in the same account as repairs of the buildings in which located.

NOTE B: Repairs of communications systems of limited extent, not connected with other systems, used for special purposes and usually installed within a single building, group of buildings, or within the limits of a station or shop layout or yards, shall be included in the same account as repairs of the building in which located or in the account appropriate for the service with which associated.

NOTE C: The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise, or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 407, "Communication system operation."

249 Signals and Interlockers.

This account shall include the cost of repairing signals and interlockers governing the movements of locomotives and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; also the cost of repairing buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers. For list of items see account 27, "Signals and interlockers."

NOTE A: The pay and expenses of employees engaged both in maintaining and operating signals and interlockers shall be apportioned equitably between this account and account 404, "Signal and interlocker operation."

NOTE B: When signal or interlocking apparatus is located in station buildings, only the cost of repairing the signal or interlocking apparatus shall be charged to this account. The cost of repairing the building shall be included in account 227, "Station and office buildings."

NOTE C: The cost of repairs of track material such as special rail braces, special rods, switches, special track fastenings, split rails, derails, derail stands, and frogs, used in connection with interlockers shall be included in account 216, "Other track material."

NOTE D: When derails are arranged so as to be thrown from switch stands, the cost of labor expended for repairs of the connections between the switch stands and the derail and devices for throwing the derail, shall be included in account 220, "Track laying and surfacing."

NOTE E: The salaries, office expenses, and traveling expenses of supervisors or inspectors when engaged in maintaining both telegraph and telephone lines and signals and interlockers shall be equitably apportioned between this account and account 247, "Communication systems."

253 Power Plants.

This account shall include the cost of repairing power-plant and substation buildings, including all foundations other than those special to particular machines and apparatus; and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and miscellaneous fixtures, shall be considered as a part of the power-plant buildings. The power-plant buildings here referred to are those in which power is produced for the operation of trains and cars and for general purposes. For list of items see road and equipment account 29, "Power plants."

NOTE A: The cost of repairing power-plant machinery, including small stacks resting on boilers, and special foundations for machines, shall be included in account 304, "Power-plant machinery."

NOTE B: The cost of repairing the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

257 Power-transmission Systems.

This account shall include the cost of repairing systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; including the cost of conduits and poles, cross arms, insulator pins, brackets and other pole fixtures, used in repairs, and of repairing other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes. For a list of items see account 31, "Power-transmission systems."

NOTE A: The cost of repairing the portions of distribution systems located within shop buildings and station and office buildings shall be included in the accounts provided for the cost of maintaining the buildings. The cost of repairing distribution systems in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

NOTE B: The cost of repairing conduits and poles and fixtures for telegraph and telephone lines shall be included in account 247, "Communication systems." If poles and conduits are used both for telegraph and telephone lines, and for power-distribution lines, the cost of repairs thereof shall be included in the account appropriate according to their predominant use.

265 Miscellaneous Structures.

This account shall include the cost of repairing permanent structures, not provided for elsewhere, including the cost of repairing all furniture and fixtures to equip them for use. It shall also include the cost of maintenance of the grounds appurtenant to such structures.

NOTE A: When separable the cost of maintaining structures which are rented to other companies or individuals shall be charged to income account in which is included the rent received for use of the structures.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in miscellaneous buildings, shall not be included in this account.

266 Road Property; Depreciation.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable road property with the exception of shop machinery and power-plant machinery.

NOTE: Depreciation charges applicable to shop machinery and power-plant machinery shall be included in account 305, "Shop and power-plant machinery—Depreciation."

267 Retirements; Road.

(a) This account shall include charges for the service value (ledger value less value of salvage) of nondepreciable road property retired, excluding rail, ties, and other track material, and ballast used in repairs, as defined in this classification. When rails, ties, and other track material are removed and replaced in the process of repairing tracks such work shall be classified as maintenance and the items of material so replaced are not to be recorded as nondepreciable road property retired.

(b) When road property previously subject to amortization accounting under section 124, "Amortization deductions," of the Internal Revenue Code is retired, the difference between the service value (ledger value less value of salvage and insurance recovered) thereof, and the balance in account 736, "Amortization of defense projects—Road and equipment," with respect to the specific facility retired, after appropriate adjustment for any depreciation accrued thereon, shall be included in this account.

(c) This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 80, inclusive, in accounting for the retirement of road property.

NOTE: The cost of dismantling or demolishing the property if borne by the carrier, shall be charged to account 270, "Dismantling retired road property," or

account 306, "Dismantling retired shop and power-plant machinery," as may be appropriate.

269 Roadway Machines.

(a) This account shall include the cost of repairing roadway machines which are used for the repairs of roadway and structures.

(b) A list of roadway machines appears in property account 37, "Roadway machines".

NOTE A: The cost of repairing machines in the maintenance of equipment shops shall be included in account 302, "Shop machinery," as provided for therein.

NOTE B: The cost of repairing roadway machines, such as pile drivers, log loaders, hoisting engines, and concrete mixers, when permanently mounted for movement on carrier's tracks, shall be included in account 326, "Work equipment—Repairs."

270 Dismantling Retired Road Property.

This account shall include the cost of dismantling retired road property and recovering the salvage therefrom with the exception of material recovered in connection with repairs of tracks and of dismantling retired shop and power-plant machinery. The cost of removing, gathering up, and disposing of track material in connection with repairs of tracks is includible in account 220, "Track laying and surfacing," and the cost of dismantling retired shop and power-plant machinery and recovering the salvage therefrom is includible in account 306, "Dismantling retired shop and power-plant machinery."

271 Small Tools and Supplies.

This account shall include:

(a) *Roadway and track tools.* The cost of roadway tools (except special tools provided for elsewhere), including the cost of repairing such tools.

LIST OF ROADWAY AND TRACK TOOLS

Adzes.
Anvils.
Augers.
Axes.
Ballast forks.
Bars, claw.
Bars, crow.
Bars, lining.
Bars, pinch.
Bars, raising.
Bars, tamping.
Braces and bits.
Brooms.
Brush hooks.
Cable stretchers.
Cables.
Cans, oil.
Cans, water.
Cant hooks.
Chains.
Chisels, track.
Chisels, wood.
Curbing hooks.
Dippers.
Drawing knives.
Drill bits.
Drills (portable).
Flags, signal.
Furnaces (portable).
Grindstones.
Hammers, napping.
Hammers, paving.
Hammers, spiking.
Handles for tools.
Hatchets.
Hose.
Jack levers.
Jacks, ratchet.
Jacks, screw.
Jacks, track.
Kegs, water.
Ladders.
Lanterns and fixtures.
Lawn mowers.
Levels.
Lines for ditching.
Nippers.
Oilstones.
Padlocks.
Pails, water.
Paint brushes.
Picks, clay.
Picks, tamping.
Pike poles.
Post-hole diggers.
Post-hole tampers.
Punches.
Rail benders.
Rail tongs.
Rakes.
Rope.
Saws, Crosscut.
Saws, hand.
Scrap boxes.
Scythes.
Shovels.
Sickles.
Sledges.
Spades.
Spike mauls.
Spike pullers.
Spot boards.
Squares.
Straightening machines.
Tape lines.
Thermometers for laying rail.
Tongs.
Tool boxes.
Torches.
Track gauges.
Track levels.
Vises.
Weed spuds.
Wheelbarrows.
Whetstones.
Wood mallets.
Wrenches, monkey.
Wrenches, track.

(b) *Roadway and track supplies.* The cost of supplies consumed in connection with the operation of roadway machines while used in repairs of roadway and tracks; and cost of supplies used by trackwalkers, track watchmen, and roadway and track repair men.

ITEMS OF ROADWAY SUPPLIES

Alcohol for hydraulic jacks.
Fuel for heating tool and other section houses.
Fuel for portable forges used in roadway and track work.
Gasoline for motor cars.
Oatmeal and ice for drinking water used by roadway and track repair men.
Oil and waste for hand cars, lever cars, motor inspection cars, and push cars.
Oil and wicks for lanterns used by trackwalkers, track watchmen, and roadway and track repair men.
Oil and wicks for lighting tool and other section houses.
Torpedoes used by trackwalkers, track watchmen, and roadway and track repair men.
Water for section houses.

272 Removing Snow, Ice, and Sand.

(a) This account shall include the cost of keeping track and roadway clear of snow, ice, and sand. The amount shall include cost of preventing accumulation, such as the cost of distributing, setting up, inspecting, taking down, and regathering portable snow and sand fences; and cost of tools furnished for the purpose; also cost of storing fences.

(b) The account also shall include cost of removing accumulations of snow, ice, and sand, cost of snow-plow and flanger service, and of work-train service; cost of applying and removing flangers from locomotives and cars, and of slatting pilots; cost of salt to keep switches clear; and cost of meals and lodging for men employed in removal service.

273 Public Improvements; Maintenance.

(a) This account shall include the portion borne by the carrier of the expense of maintenance of public improvements, whether done by public authority or by the carrier's employees under governmental requirement.

(b) By public improvements are meant improvements for public benefit such as curbing, grading, guttering, and paving of streets, overhead highway bridges, including approaches; drainage, sewer, irrigation, and water systems; flood protection, parks, sidewalks, etc. For list of items see account 39, "Public improvements—Construction."

NOTE A: The expense of repairing paving within the grounds of buildings or other structures shall be charged to the accounts provided for repairs of the structures.

NOTE B: Assessments for maintaining public improvements included in the general tax levy for a regular taxing district shall be charged to the appropriate tax account in income.

NOTE C: Interest and penalties, based on monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be included in account 547, "Interest on unfunded debt."

274 Injuries to Persons.

(a) This account shall include expenses on account of injuries to persons which occur directly in connection with the maintenance of way and structures, including injuries occurring in connection with the operation of work trains in such service, and injuries caused by defective highways within the right of way.

(b) The account shall also include expenses on account of injuries to employees incurred while demolishing structures, the maintenance of which would be chargeable to maintenance of way and structures; services of employees and others called in consulation in connection with claim adjustments; and pay and expenses of employees while engaged as witnesses at inquests and lawsuits.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, office expenses, and other expenses of claim adjusters, claim clerks and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

275 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of way and structures; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of way and structures.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amounts of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and

to it shall be credited all amounts recovered from insurance companies in reimbursement for losses under such reinsurance.

276 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with maintenance of way and structures. The account shall include the cost of adding machines, typewriters, and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

277 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions, directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in maintenance of roadway and structures.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

278 Maintaining Joint Tracks, Yards, and Other Facilities—Dr.

This account shall include the carrier's proportion of the costs incurred by others in maintaining joint tracks, yards, terminals, and other facilities.

NOTE: The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by others and in the joint use of which the carrier participates.

279 Maintaining Joint Tracks, Yards, and Other Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of the cost incurred by the carrier in maintaining joint tracks, yards, terminals, and other facilities.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by the carrier and in the joint use of which others participate.

280 Equalization; Way and Structures.

This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of way and structures expenses. The amounts included in this account shall concurrently be debited or credited to account 773, "Equalization reserves."

281 Right-of-way Expenses.

This account shall include the cost to the carrier of maintaining structures owned by or exclusively used by others, such costs having been assumed by the carrier in order to acquire or to secure a less restricted use of its right of way. The structures here referred to are those such as bridges above the carrier's tracks, tunnels, and roadways under the carrier's tracks.

NOTE: The cost of maintaining public improvements is includible in account 273, "Public improvements—Maintenance."

282 Other Expenses.

This account shall include all expenses in connection with maintenance of way and structures not provided for elsewhere.

ITEMS OF EXPENSE

Pay and expenses of maintenance of way employees attending conferences with officers in connection with wage disputes.
Fees paid arbitrators in wage disputes with maintenance of way employees.
Payments to maintenance of way employees for time absent on account of sickness, when not compensation for personal injuries.
Gratuities paid to persons for discovering defective rails, etc.

Maintenance of Equipment

300 Maintenance of Equipment.

The primary accounts included in this general account are designed to show the expenses of maintaining the carrier's equipment and the carrier's expense for the repairs of other equipment used in its operations, also the cost of maintaining road property classified as shop and power plant machinery. The repair accounts shall include foreign roads' freight charges for transporting the carrier's equipment to shops for repairs and for transporting such equipment to the carrier's line after repairs have been made. No charge shall be made to these accounts for transporting equipment in the carrier's transportation service trains to shops for repairs or from shops after repairs have been made. The accounts for maintenance of equipment shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, producing power sold, and other miscellaneous operations.

301 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of equipment.

LIST OF OFFICERS

Vice president.
Assistant vice president.
General superintendent of motive power; Assistant.
Mechanical superintendent.
Superintendent of motive power; Assistant.
Mechanical engineer; Assistant.
Chief chemist.
General equipment inspector.
Engineer of tests.
Supervisor of car department.
Electrical engineer; Assistant.
Chemist and assistant chemist.
Master car builder.
Master mechanic.
General foreman.
Chief car inspector.
Inspector of passenger-train cars.
General car inspector.
Traveling boiler inspector.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Chief motive power clerks, other clerks and stenographers.
Draftsmen.
Messengers, cooks and porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account, and amounts paid to detective agencies and others for investigations in connection with repairs of equipment.

ITEMS OF EXPENSES AND SUPPLIES

Atlases, maps, and books for office use.
Barometers.
Business car service.
Drafting instruments and supplies.
Engineering supplies.
Fees and dues in technical associations.
Furniture repairs and renewals.
Heating, lighting, and power.
Official train service.
Periodicals and newspapers.
Provisions for business cars.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

NOTE A: When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed, shall be charged to the work upon which engaged.

NOTE B: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: The cost of stationery purchased for maintenance of equipment offices is chargeable to account 334, "Stationery and printing."

NOTE D: The pay of general foremen in small shops, who exercise direct supervision over all departments, unassisted by departmental foremen, shall be apportioned through clearing account "Shop expenses."

302 Shop Machinery.

(a) This account shall include the cost of repairing machinery and other apparatus, including special foundations, in shops and enginehouses.

(b) A list of shop machinery appears in property account 44, "Shop machinery."

NOTE A: The cost of repairing power plant machinery for shop power when located in distinct buildings shall be included in account 304, "Power plant machinery."

NOTE B: The cost of repairing boilers used

exclusively for heating shall be included in the appropriate repair accounts for buildings.

NOTE C: The cost of small tools which are soon worn out, when used by mechanics on miscellaneous work, shall be included in clearing account "Shop expenses," and when used on repairs of equipment shall be included in the appropriate accounts for repairs of equipment.

NOTE D: The cost of repairing machinery and tools in shops used exclusively for maintenance of way and structures shall be included in account 229, "Roadway buildings."

304 Power-plant Machinery.

This account shall include the cost of repairing machinery and other apparatus including special foundations in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for general purposes. For list of items see account 45, "Power-plant machinery."

NOTE A: The cost of repairing power-machinery and apparatus in shop power plants shall be included in account 302, "Shop machinery."

NOTE B: The cost of repairing power-machinery and apparatus in stations and offices used primarily for station and office purposes shall be included in account 227, "Station and office buildings."

NOTE C: The cost of repairing power-machinery and apparatus in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

NOTE D: The cost of repairing foundations, other than those special to particular machines and other apparatus, shall be included in cost of repairing the building and not in this account.

NOTE E: The cost of repairing machinery in distinct plants for furnishing power both for carrier purposes and for sale shall be included in this account. When plants are used solely for generating power for sale the cost of repairs shall be included in account 534, "Expenses of miscellaneous operations."

305 Shop and Power-plant Machinery; Depreciation.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of property the cost of which is includible in accounts 44, "Shop machinery" and 45, "Power-plant machinery."

306 Dismantling Retired Shop and Power-plant Machinery.

This account shall include the cost of dismantling retired shop and power-plant machinery and recovering the salvage therefrom.

308 Steam Locomotives; Repairs.

(a) This account shall include the cost of repairing transportation service steam locomotives and tenders, including all appurtenances, and the cost of small hand tools used in repair work. This account shall also include the cost of work-train service for the transportation of locomotives without steam to shops for repairs, including the pay and expenses of caretakers, and the pay and expenses of caretakers of locomotives without steam which are hauled in transportation service trains to shops for repairs; also notarial fees in connection with reports on conditions of locomotives.

(b) A list of appurtenances to locomotives appears in property account 51, "Steam locomotives".

NOTE A: The cost of inspecting smokestacks and ash pans of locomotives in service shall be included in the appropriate enginehouse expense accounts.

NOTE B: The cost of repairing steam locomotives and tenders of foreign lines, waybilled as freight, and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing steam locomotives and tenders of foreign lines having trackage rights over the carrier's line, damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

NOTE C: The cost of running locomotives under steam to shops for repairs in connection with transportation service shall be included in the cost of the service in connection with which the movement occurs.

NOTE D: The cost of repairing steam locomotives used solely in work service in connection with operations shall be included in account 326, "Work equipment—Repairs." The cost of repairing locomotives on account of construction work shall be included in the cost of the work.

311 Other Locomotives; Repairs.

This account shall include the cost of repairs of transportation service locomotives other than steam locomotives, analogous to those set forth for steam locomotives in account 308, "Steam locomotives—Repairs."

314 Freight-train Cars; Repairs.

(a) This account shall include the cost of repairing freight-train cars and appurtenances, and the cost of repairing motor equipment affixed to freight-train cars engaged in transportation service; also cost of small hand tools used in repairs. This account shall also include the net loss sustained on account of the destruction of foreign freight cars in the carrier's transportation service and amounts paid to others for repairs of freight cars for which the carrier is liable.

(b) A list of freight-train cars and appurtenances to such cars appears in property account 53, "Freight-train cars."

NOTE A: The cost of candles, wicks, lamp chimneys, globes, and shades for oil or other lamps in freight-train cars shall be charged to account 402, "Train supplies and expenses."

NOTE B: The cost of repairing freight-train cars of foreign lines waybilled as freight and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing freight-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

317 Passenger-train Cars; Repairs.

(a) This account shall include the cost of repairing passenger-train cars and appurtenances and the cost of repairing motor equipment affixed to passenger-train cars used in transportation service; small hand tools used in repairs; the net loss sustained on account of the destruction of foreign passenger-train cars in the carrier's transportation service, and amounts paid others for repairs of passenger-train cars for which the carrier is liable.

(b) A list of passenger-train cars and appurtenances to such cars appears in property account 54, "Passenger-train cars."

NOTE A: The cost of candles, wicks, and lamp chimneys and of globes and shades for electric and other lights in passenger-train cars shall be charged to account 402, "Train supplies and expenses."

NOTE B: The cost of repairing passenger-train cars of foreign lines, which are waybilled as freight and have been damaged in transit, shall be charged to account 418, "Loss and damage—Freight," and the cost of repairing passenger-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or otherwise, for which the carrier is liable, shall be charged to account 416, "Damage to property."

323 Floating Equipment; Repairs.

(a) This account shall include the cost of repairing floating equipment (other than work equipment), including appurtenances, and cost of small hand tools used in repairs. The pay and expenses of captains and engineers and of boat employees, while engaged on maintenance of floating equipment, shall be included in this account.

(b) A list of floating equipment and appurtenances to such equipment appears in property account 56, "Floating equipment."

326 Work Equipment; Repairs.

(a) This account shall include the cost of repairing rail and floating work equipment, including appurtenances, and cost of small hand tools used in repairs.

(b) The cost of fitting up commercial cars for work service in connection with maintenance and operation; the cost of refitting them for commercial service; the cost of repairs to locomotives while in service for repairs of road and equipment; and the cost of repairs to foreign cars damaged while in such service shall be included in this account; also, amounts paid in settlement for such cars destroyed in such service.

(c) A list of work equipment and appurtenances to such equipment appears in property account 57, "Work equipment."

NOTE: The cost of repairs to work equipment on account of construction work shall be included in the cost of the construction work on which it is used.

328 Miscellaneous Equipment; Repairs.

This account shall include the cost of repairing miscellaneous equipment, such as automobiles and other highway vehicles.

329 Dismantling Retired Equipment.

This account shall include the cost of tearing down retired equipment and recovering the salvage therefrom.

330 Retirements; Equipment.

(a) When equipment previously subject to amortization accounting under section 124, "Amortization deductions," of the Internal Revenue Code is retired, the difference between the service value (ledger value less value of salvage and insurance recovered) thereof and the balance in account 736, "Amortization of defense projects—Road and equipment," with respect to the specific equipment retired, after appropriate adjustment for

any depreciation accrued thereon, shall be included in this account.

(b) This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 80, inclusive, in accounting for the retirement of equipment.

331 Equipment; Depreciation.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of equipment the ledger value of which is includible in accounts 51 to 54 and 56 to 58, all inclusive.

332 Injuries to Persons.

This account shall include expenses on account of injuries to persons which occur directly in connection with repairs of equipment. Services of employees and others called in consultation in relation to claim adjustments, pay and expenses of employees while engaged as witnesses at inquests and lawsuits shall be included in this account. This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and office and other expenses of claim adjusters, claim clerks, and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

333 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of equipment; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of equipment.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

334 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with maintenance of equipment. The account shall include the cost of adding machines, typewriters and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

335 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in maintenance of equipment.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

336 Joint Maintenance of Equipment Expenses—Dr.

This account shall include the carrier's proportion of expenses incurred by others in maintaining equipment used in the operation of joint facilities, including the carrier's proportion of the expenses of repairing such equipment damaged by accidents when such expenses are participated in by more than one carrier. It shall also include the carrier's proportion of expenses incurred by others in maintaining joint shop machinery and power-plant machinery.

NOTE: The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by others and in the joint use of which the carrier participates.

337 Joint Maintenance of Equipment Expenses—Cr.

This account shall include the amount chargeable to others as their proportion of expenses incurred by the carrier in maintaining equipment used in the operation of joint facilities, and for expenses of repairing equipment damaged by accidents, when such expenses are participated in by more than one carrier. It shall also include amounts chargeable to others as their proportions of the expenses incurred by the carrier in maintaining joint shop machinery and power-plant machinery.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier due from others for their proportions of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by the carrier and in the joint use of which others participate.

338 Equalization; Equipment.

This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of equipment expenses. The amounts included in this account shall concurrently be debited or credited to account 773, "Equalization reserves."

339 Other Expenses.

This account shall include expenses in connection with the maintenance of equipment not properly chargeable to other accounts for maintenance of equipment or to clearing accounts such as "Material store expenses" and "Shop expenses."

ITEMS OF EXPENSE

Pay and expenses of mechanical department employees attending conferences with officers in connection with mechanical department wage disputes.
Fees paid arbitrators in connection with mechanical department wage disputes.
Payments to mechanical department employees for time absent on account of sickness when not in compensation for personal injuries.

classes of claims over which they have jurisdiction or in connection with which they are engaged.

others in maintaining equipment used in the operation of joint facilities, including the carrier's proportion of the expenses

Traffic Expense Accounts

350 Traffic.

The primary accounts included in this general account are designed to show the expenses incurred for advertising, soliciting, and securing traffic for the carrier's lines and for preparing and distributing tariffs governing such traffic.

351 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in supervising the procurement of traffic, and the preparation and distribution of tariffs, division sheets, and classifications.

LIST OF OFFICERS

Vice president.
Assistant to vice president.
Traffic director; Assistant.
General freight agent; Assistant.
Chief of tariff bureau.
Traveling tariff inspector.
Live stock agent.
General passenger agent; Assistant.
Division passenger agent.
Division freight agent.
General baggage agent.
General express agent.
General express manager.
Coal traffic agent.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account. This includes chief clerk, other clerks, and stenographers; messengers, cooks, porters and other attendants.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account.

ITEMS OF EXPENSE

Atlases, maps, and books for office use.
Barometers.
Business car service.
Express charges.
Fees and dues in commercial and other clubs.
Furniture repairs and renewals.
Heating, lighting, and power.
Official train service.
Periodicals and newspapers.
Provisions for business cars.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

NOTE A: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The pay and expenses of officers engaged exclusively in soliciting traffic are chargeable to account 352, "Outside agencies."

NOTE C: The cost of stationery for traffic offices is chargeable to account 358, "Stationery and printing," except stationery chargeable to accounts 354, 355, and 356.

352 Outside Agencies.

(a) This account shall include the pay, and the office, traveling, and other expenses of general, commercial, city, and district agents and others soliciting traffic, the employees of their offices, and traveling agents and solicitors located on or off the line of the carrier's road.

(b) City ticket and freight offices, separate from regular station ticket and freight offices, shall be treated as outside agencies; the pay and expenses of the employees therein and the expenses of such offices shall be charged to this account.

(c) Commissions for services pertaining to either freight or passenger business, except commissions paid in lieu of salaries to carrier's agents located upon the carrier's own line (which shall be charged to account 373, "Station employees"), shall be included in this account.

ITEMS OF EXPENSE

Books for office use.
Express charges.
Furniture repairs and renewals.
Heating, lighting, and power.
Membership fees and dues in agency associations.
Membership fees and dues in commercial clubs.
Office supplies.
Periodicals and newspapers.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

353 Advertising.

This account shall include the cost of advertising for the purpose of securing traffic; pay of advertising agents, their clerks and attendants; rent of offices, and the office, traveling, and other expenses of such employees.

ITEMS OF EXPENSE

Advertisements in newspapers.
Advertisements in periodicals.
Bulletin boards and cards.
Customs charges on advertising matter.
Distributing timetables.
Display and other advertising cards.
Distributing folders.
Distributing general notices to shippers.
Express charges.
Frames, handbills, and posters.
Maps used for advertising.
Pamphlets, photographs and views.
Publishing timetables.
Postage.
Publishing folders and advertising matter.
Publishing notices to shippers.

NOTE: Advertising expenses of industrial and immigration bureaus shall be included in account 356, "Industrial and immigration bureaus."

354 Traffic Associations.

This account shall include the cost to the carrier of participation in traffic associations, including its proportion of the pay of officers and employees of such associations and of their office, stationery and printing, traveling, and other expenses.

LIST OF TRAFFIC ASSOCIATIONS

Boards of trade.
Classification bureaus.
Clergy bureaus.
Commercial associations.
Freight associations.
Mileage ticket bureaus.
Passenger associations.
Tariff bureaus.
Ticket validating agencies.

355 Fast Freight Lines.

This account shall include the cost to the carrier of participation in fast freight or dispatch organizations, including its proportion of the pay of officers, soliciting agents, and employees of such organizations, and their office, stationery and printing, traveling, and other expenses.

356 Industrial and Immigration Bureaus.

This account shall include the cost to the carrier of industrial and immigration bureaus, including the pay of industrial and immigration agents, and exhibit agents, their clerks and attendants and their office, stationery and printing, traveling, and other expenses.

357 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Traffic, also premiums on fidelity bonds of employees whose pay is chargeable to Traffic.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account the amount of all claims for injuries to persons and damages to the property covered by its insurance shall be charged. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

358 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with securing traffic, including the cost of tariffs governing such traffic, division sheets, freight classifications, and rate sheets. This account also shall include the cost of calculating machines, typewriters and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE A: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

NOTE B: The cost of stationery and printing used by traffic associations, fast freight lines, and industrial and immigration bureaus shall be included in the accounts provided for the expenses of such organizations.

359 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in procurement of traffic and other work in the traffic department.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, Pensions.

360 Other Expenses.

This account shall include all expenses in connection with traffic not properly chargeable to other traffic accounts.

Transportation Expense Accounts

370 Transportation; Rail Line.

The primary accounts included in this general account are designed to show expenses incurred for transporting persons and the property of others, including the expenses of station, train, yard, and terminal service; also the expense of transporting company material in transportation service trains.

371 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in conducting transportation.

LIST OF OFFICERS

Vice president.
Assistant to the vice president.
General manager; Assistant.
General superintendent of transportation.
Superintendent of transportation; Assistant.
Division superintendent; Assistant.
Superintendent of car service.
Chief special agent.
Members of examining boards.
Superintendent of mail service.
Traveling train and station inspectors.
Air-brake instructor.
Superintendent of agencies.
Superintendent of transfer stations.
Trainmaster; Assistant.
Road foreman of locomotives.
Traveling locomotive engineer; Fireman.

(b) *Pay of clerks and attendants.* The pay of clerks and others employed in the offices and on business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Division clerk, other clerks and stenographers.
Special agents and detectives.
Messengers, cooks, and porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also the pay and expenses of employees attending investigations concerning the cause of or responsibility for accidents and amounts paid detective agencies and others for work in connection with such investigations.

ITEMS OF EXPENSE

Atlases and maps.
Barometers.
Books for office use.
Business car service.
Express charges.
Fees and dues in associations.
Furniture repairs and renewals.
Heating, lighting, and power.
Official train service.
Periodicals and newspapers.
Provisions for business cars.
Rent of air-brake instruction cars.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

NOTE A: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The cost of stationery purchased for transportation offices is chargeable to account 410, "Stationery and printing."

372 Dispatching Trains.

This account shall include the pay of chief and other train dispatchers, their clerks, copying operators, and attendants, and pay of operators on the line whose duties are confined to directing train movements; also the office, traveling, and other expenses of such employees.

NOTE: Pay of operators who also perform station work shall be charged to account 373, "Station employees."

373 Station Employees.

This account shall include:

(a) *Agents, clerks, and attendants.* The pay of agents, assistant agents, clerks, and attendants in charge of, or engaged in, the operation of stations, stockyards, wharves, and piers located on the carrier's line; also payments to such station or ticket agents in lieu of salaries. This account shall also include special payments to customs inspectors on account of opening and resealing cars under unusual conditions, and payments to produce-exchange inspectors for inspecting, measuring, and weighing grain.

LIST OF GENERAL EMPLOYEES

Accountants.
Baggage agents and baggagemen at stations.
Car and other clerks.
Cashiers.
Customs inspectors.
Depot masters; Assistant.
Detectives and policemen.
Express agents.
Information bureau employees.
Janitors, porters, maids, and matrons.
Package and parcel room employees.
Station agents; Assistants.
Station foremen.
Station masters; Assistants.
Stockyard superintendents and foremen.
Telegraph and telephone operators.
Ticket agents.

(b) *Labor at Stations.* Station and other labor expended in handling freight, mail, baggage, and express at stations, wharves, and piers; in loading, unloading, feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for stock; in disinfecting stations, stockyards, and stock pens; in transferring, picking up, straightening, and reloading freight in the ordinary course of transportation; in miscellaneous station work, including (when done by station employees) cleaning station grounds, station platforms, walks, stockyards, and stock pens, and removing snow and ice therefrom; and in tending switch lamps not in yards and terminals. This account shall also include payments to elevator companies (when not made as division of rate) for transferring grain en route, and payments to other companies and individuals for loading and unloading commercial freight under contract or otherwise.

LIST OF EMPLOYEES

Car sealers and checkmen.
Freight callers and handlers.
Freight house foremen.
Freight loaders and unloaders.
Longshoremen and stevedores.
Mail carriers and weighers.
Stationary engineers and firemen.
Stockyard laborers.
Teamsters and weighmasters.
Truckmen.
Warehousemen.

NOTE A: The cost of transferring freight, mail, baggage, and express on account of wrecks shall be included in account 415, "Clearing wrecks."

NOTE B: This account shall not include the pay of telegraph and telephone operators provided for under accounts 372, "Dispatching trains," and 407, "Communication system operation," or pay of employees provided for under account 375, "Coal and ore wharves."

374 Weighing, Inspection, and Demurrage Bureaus.

This account shall include the cost to the carrier of its participation in joint weighing inspection, demurrage, and car distribution bureaus and associations.

375 Coal and Ore Wharves.

This account shall include cost of operating docks, and wharves, piers, and other marine, lake, or river landings, and the machinery located thereon, used in connection with the transportation of coal and ore.

(a) *Labor and expenses.* The pay and the office, traveling, and other expenses of employees engaged in operating coal and ore wharves.

(b) *Tools and supplies.* The cost of all tools and supplies used in the operation of coal and ore wharves.

ITEMS OF TOOLS AND SUPPLIES

Cylinder and lubricating oil.
Fuel for stationary boilers.
Illuminating oil.
Lanterns and parts.
Picks, shovels, and slice bars.
Waste; wicks.

NOTE: The cost of switching service in connection with coal and ore wharves shall not be included in this account.

376 Station Supplies and Expenses.

This account shall include:

(a) *Heating.* The cost of fuel (including cost of unloading), water, steam, and miscellaneous supplies used for heating stations, waiting rooms, freight and passenger offices, stockyards and other station buildings.

(b) *Lighting.* The cost of fuel, water, gas, oil, electricity, lamp globes, lamp chimneys, wicks, lamp carbons, incandescent lamps, and miscellaneous supplies used in lighting stations, waiting rooms, freight and passenger offices, stockyards, other station buildings, street approaches thereto, and passenger footbridges and subways at stations.

(c) *Other expenses.* The cost of miscellaneous station supplies and station expenses, including those for stockyards.

ITEMS OF EXPENSE

Cleaning privy vaults.
Furniture repairs and renewals.
Garage expenses.
Licenses for ticket agents.
Mail transfer by others than employees.
Membership fees and dues in agents' associations.
Power for station machinery.
Rent of automatic weighing and recording devices.
Rent of scales.
Rent of station buildings (not jointly used).
Reports to agents of commercial standing.
Sprinkling station grounds.
Station employees' expenses.
Supplies used in feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for livestock.
Warehouse charges for storage of freight.

Business car service.
Station foremen.
Station masters; Assistants.
cording devices.
Rent of scales.
Warehouse charges for storage of freight.

Tools and station supplies such as baggage checks, car seals, cooperage material and packing material, and mail bags; also, station trucks, rolling chairs for invalids, medical supplies, electric fans; uniforms, punches for baggagemen and gatemen, brooms, brushes, shovels and other supplies and tools for general station use.
Telephone and telegraph service.

377 Yardmasters and Yard Clerks.

This account shall include the pay of general yardmaster, yardmaster, assistant yardmaster, general yard foreman, and yard clerks and attendants in yards where regular switching service is maintained and in terminal switching and transfer service, including employees engaged in calling yardmen and trainmen; also pay of policemen, watchmen, and detectives in yard service. (See account 389, "Yard supplies and expenses.")

378 Yard Conductors and Brakemen.

This account shall include the pay of yard conductors or foremen and yard brakemen or switchmen handling cars in passenger and freight yards where regular switching service is maintained and in terminal switching and transfer service, including pay while deadheading in connection with such service. (See account 389, "Yard supplies and expenses.")

NOTE: When conductors and brakemen are engaged in both train and yard service their pay shall be apportioned between the train and yard accounts on the basis of service rendered. This does not apply to train switching service performed by train crews, the entire pay of whom shall be charged to account 401, "Trainmen."

379 Yard Switch and Signal Tenders.

This account shall include the pay of employees in yards where regular switching service is maintained, who are engaged in the operation of yard switches and signals, including interlockers used solely or principally for the government of all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard-switching movements. (See account 389, "Yard supplies and expenses.")

LIST OF EMPLOYEES

Battery men.
Interlocker oilers.
Lampcleaners and lighters.
Switch oilers and tenders.
Levermen, signal men, and tower men.

380 Yard Enginemen.

This account shall include the pay of yard enginemen while engaged in yards where regular switching service is maintained and terminal switching and transfer service, including pay of such employees while deadheading in connection with yard service. For purposes of this account enginemen shall be understood to include the operators and their assistants regardless of the type of self-propelled motive power being operated.

NOTE: The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in account 392, "Train enginemen." The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

382 Yard Switching Fuel.

This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuels consumed in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations and the cost of operating machinery at fuel stations.

NOTE A: The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 238, "Fuel stations."

NOTE B: The cost of supplies consumed by locomotives and motor cars engaged in more than one class of service shall be apportioned upon the basis of service rendered. The cost of supplies consumed by train locomotives and motor cars in train switching service shall be included in accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

383 Yard Switching Power Produced.

This account shall include the cost of the production and distribution of electric power used in operating locomotives and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

(a) *Employees.* The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) *Fuel.* The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) *Water.* The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) *Other supplies and expenses.* The cost of lubricants, such as oil and grease used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also the cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

384 Yard Switching Power Purchased.

This account shall include the cost of electric power purchased for the propulsion of engines and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

385 Water for Yard Locomotives.

(a) This account shall include the cost of water supplied to locomotives in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of work trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of materials and supplies used in the operation of water stations and purifying plants.

(b) The cost of operating boilers, engines, and pumps at water stations; heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

(c) An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service engaged in connection with water supply for locomotives shall be included in this account.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

386 Lubricants for Yard Locomotives.

This account shall include the cost of valve, engine, car and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

NOTE: The cost of suplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of

supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

387 Other Supplies for Yard Locomotives.

This account shall include the cost of supplies, other than fuel, water, and lubricants, used on locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in yard service. The account shall include the cost of sand and of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

NOTE A: Where the quantity of sand used on locomotives engaged in yard service is relatively small as compared with the quantity used by locomotives engaged in train service, the entire cost of such material shall be included in account 399, "Other supplies for train locomotives." Where the quantity used in yard service is relatively large, the entire cost shall be included in this account.

NOTE B: The cost of other supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

388 Enginehouse Expenses; Yard.

This account shall include the expense of caring for and preparing locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; keeping and preparing fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; calling enginemen, and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools, supplies, and sundry expenses on account of caring for and preparing locomotives at enginehouse.

ITEMS OF MISCELLANEOUS EXPENSES

Compounds for cleaning and polishing.
Enginehouse cupboards.
Gas, oil, and electricity for lighting.
Heating enginehouses, including offices.
Lanterns used by enginehouse men.
Lighting enginehouses, including offices.
Lubricating oil for enginehouse, ash pit, transfer table, and turntable machinery.
Packing tools.
Paint for front ends of locomotives.
Power for operation of turntables and transfer tables.
Rent of roundhouse stalls.
Signal lights on transfer tables and turntables.
Waste.
Water for cinder pits.
Water for washing boilers.

NOTE A: Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B: The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

389 Yard Supplies and Expenses.

This account shall include the cost of supplies (except locomotive supplies) used in yard service, yard signal and interlocker supplies, and miscellaneous yard expenses for yards where regular switching service is maintained; also office and other expenses of employees whose pay is chargeable to accounts 377, 378, and 379.

ITEMS OF EXPENSE

Electricity purchased for lighting yards and yard buildings.
Furniture repairs and renewals.
Gas purchased for lighting yards and yard buildings.
Power produced for operating switches and signals.
Power purchased for operating switches and signals.
Rent of telephones.
Rent of yard buildings (not jointly used).
Yard supplies such as lubricants for machinery and switches, fuel for heating and power, and waste.

390 Operating Joint Yards and Terminals—Dr.

This account shall include the carrier's proportion of the costs incurred by others in their operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A: The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of operating yards and terminals operated by others, and in the joint use of which the carrier participates.

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

391 Operating Joint Yards and Terminals—Cr.

This account shall include amounts chargeable to others as their proportions of the costs incurred by the carrier in the operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating yards and terminals operated by the carrier and in the joint use of which others participate.

NOTE B: No portions of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

392 Train Enginemen.

This account shall include the pay of enginemen while engaged in transportation train service or while deadheading in connection therewith and pay of such enginemen engaged in piloting trains over home lines; also the pay of employees while regularly engaged in shoveling coal forward on locomotive tenders. For purposes of this account enginemen shall be understood to include the operators and their assistants, regardless of the type of self-propelled motive power being operated.

NOTE: The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in this account. The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

394 Train Fuel.

This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuel for propulsion of trains in transportation train service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations, and the cost of operating machinery at fuel stations.

NOTE A: The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 233, "Fuel stations."

NOTE B: The entire cost of supplies consumed by train locomotives and motor cars in train-switching service shall be included in the accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

395 Train Power Produced.

This account shall include the cost of producing and distributing electric power for the propulsion of electric locomotives and cars in transportation train service.

(a) *Employees.* The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) *Fuel.* The cost of the coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) *Water.* The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) *Other supplies and expenses.* The cost of lubricants, such as oil and grease, used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies con-

sumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

396 Train Power Purchased.

This account shall include the cost of electric power purchased for the propulsion of locomotives and cars in transportation train service.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

397 Water for Train Locomotives.

(a) This account shall include the cost of water supplied to locomotives in transportation train service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of supply trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of material and supplies used in the operation of water stations and purifying plants.

(b) The cost of operating boilers, engines, and pumps at water stations, heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

(c) An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service, engaged in connection with water supply for locomotives, shall be included in this account.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

398 Lubricants for Train Locomotives.

This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in transportation train service.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

399 Other Supplies for Train Locomotives.

This account shall include the cost of supplies other than fuel, water, and lubricants, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in transportation train service. The account shall include the cost of sand and of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

NOTE A: Where the quantity of sand used on locomotives engaged in train service is relatively small as compared with the quantity used by locomotives engaged in yard service, the entire cost of such material shall be included in account 387, "Other supplies for yard locomotives." Where the quantity used in train service is relatively large, the entire cost shall be included in this account.

NOTE B: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

400 Enginehouse Expenses; Train.

This account shall include the expense of caring for and preparing locomotives for transportation train service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; preparing and keeping fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools and supplies and sundry expenses on account of caring for and preparing locomotives at enginehouses.

ITEMS OF MISCELLANEOUS EXPENSES

Compounds for cleaning and polishing.
Gas, oil, and electricity for lighting.
Heating enginehouses, including offices.
Lanterns used by enginehouse men.
Lighting enginehouses, including offices.
Lubricating oil.
Packing tools.
Paint for front ends of locomotives.
Power for operation of turntables and transfer tables.
Rent of roundhouse stalls.
Signal lights on transfer tables and turntables.
Waste.
Water for cinder pits.
Water for washing boilers.

NOTE A: Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B: The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

401 Trainmen.

This account shall include the pay of conductors; of train auditors, ticket collectors, and others engaged in lifting or examining authorities for transportation; and of baggagemen, brakemen, flagmen, train porters, train guards, train stenographers, maids, and other train employees while engaged in transportation train service or while deadheading in connection therewith; also the pay of trainmen while engaged in piloting trains over home lines.

NOTE: The pay of trainmen while engaged in work-train service shall be included in the cost of the work to which the service pertains.

402 Train Supplies and Expenses.

This account shall include miscellaneous expenses of transportation service trains and the cost of all supplies other than locomotive supplies.

(a) *Cleaning cars.* The cost of cleaning and disinfecting passenger and freight cars in transportation train service, including cost of removing from freight-train cars such refuse material as sawdust, hay, and straw; also items of expense, such as brooms and brushes, cleaning and polishing compounds, disinfecting machines, fuel for heating water, and labor of employees.

(b) *Heating cars.* The cost of heating cars in transportation train service, including cost of operating steam heating plants for car heating at stations and yards. Credits shall be made to this account for charges for heater service collected from other companies and individuals. The account shall also include items of expense such as connections between steam heating lines and cars, fuel, labor of employees, removal of ashes from car stoves, and stoves temporarily in freight cars.

(c) *Lighting cars.* The cost of lighting cars in transportation train service, including the cost of operating plants for supplying gas or electricity for lighting purposes; also items of expense such as battery renewals, electricity and gas, lamp bulbs, and labor of employees.

NOTE: Repairs of gas lighting and electric lighting plants shall be included in the proper maintenance accounts. Repairs and renewals of electric lighting equipment of cars, except supplies as above provided, shall be included in the appropriate car-repair account.

(d) *Lubricating cars.* The cost of lubricating cars in transportation train service, including cost of inspecting, repacking, and oiling car journal boxes and air brake equipment; also items of expense such as labor of employees and oil, grease, other lubricants, and supplies.

(e) *Icing and watering cars.* The cost of icing and watering cars in transportation train service, including icing cars for refrigeration purposes. Credits shall be made to this account for refrigeration charges collected from other companies and individuals. The account shall include items of expense such as hose and fixtures, ice, ice tools, labor of employees, salt and water.

(f) *Detouring trains.* The compensation for temporary use of tracks of other carriers, including the cost of pilot service, on account of wrecks, washouts, landslides, snow blockades, and other defects of the tracks, bridges, or tunnels on the carrier's line.

(g) *Train supplies.* The cost of supplies furnished for use on cars in transportation train service, such as brooms and brushes, chairs for cabooses (not permanently attached), conductors punches, drinking cups and glasses, fuses, lanterns, medical boxes, oil for

lanterns, shovels, signal boxes, torpedoes, towels, train tool boxes, uniforms, and waste.

(h) *Other expenses.* The cost of miscellaneous supplies required to equip trains for transportation service and miscellaneous expenses incident to operation of such trains.

ITEMS OF SERVICE AND SUPPLIES

Apparatus for testing the sight and hearing of enginemen and trainmen.
Employees' reading and bunk room expense, including pay of attendants and supplies furnished.
Laundry work.
Physicians' fees for examination of train employees.
Wages paid to superintendents and secretaries of reading rooms.

OTHER ITEMS OF EXPENSE

Bedding for stock cars.
Boarding and slatting box and stock cars for carrying coal, coke, and other freight.
Boards for flooring fruit cars.
Chains for securing loads.
Cleaning, trimming, and filling trainmen's lanterns and rear signal lamps.
Coupling and uncoupling cars at terminals.
Disinfecting cars.
Dunnage used in loading cars or fitting cars for freight shipments.
Feed for livestock in snowbound or otherwise delayed trains.
Flowers and plants for cars.
Laundry for revenue service cars other than for dining and buffet service and sleeping car service.
Occasional turning of engines on Y of other carriers.
Oil ond other supplies for locomotives hauled as freight.
Periodicals for use of passengers on trains.
Planking cars for billet shipments and other material.
Provisions, supplies, or board for passengers in delayed trains.
Removing advertisements from cars.
Rent of fare registers in cars.
Safety chains for use between twin and triple cars.
Supplies for parlor and chair cars.
Supplies furnished cars for the purpose of protection against accidents and fires.
Temporary grain doors.
Temporary lining of cars for freight shipments and stoves and heaters to prevent freezing.
Temporary openings in cars for freight shipments.
Temporary racking of cars for handling sugarcane, corn, bark, or cordwood.
Transferring passengers, express matter, baggage, mail, and freight on account of defective tracks, bridges, or tunnels.

NOTE: The expenses of operating sleeping, dining, and buffet car features of train service shall be included in account 403, "Operating sleeping cars," or in account 441, "Dining and buffet service," as may be appropriate.

403 Operating Sleeping Cars.

(a) This account shall include the cost of operating sleeping car service on trains.

(1) *Superintendence.* The pay of officers directly in charge of operating sleeping car service; the pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(2) *Station employees.* The pay and expenses of local agents, ticket agents, cashiers, clerks, and attendants; also the office and other expenses of such employees.

(3) *Station expenses.* The expenses of fuel, water, steam, and supplies used in heating station offices; gas, oil, electric current, and other supplies for lighting; repairs and renewals of station furniture, and all other station expenses connected with sleeping car service when separable from the station expenses chargeable to account 376, "Station supplies and expenses."

(4) *Conductors.* The pay of conductors employed on sleeping cars.

(5) *Porters and maids.* The pay of porters and maids employed on sleeping cars.

(6) *Car supplies.* The cost of miscellaneous supplies used on sleeping cars, such as combs, brushes, brooms, and toilet paper; also uniforms, caps, and service stripes for employees.

(7) *Laundry.* Expenses for laundry work, such as laundering sheets, pillowcases, towels, blankets, etc.

(8) *Other expenses.* The cost of flowers and plants, heating cars, cleaning the interior of cars, and of supplies used in interior cleaning, rent and cost of supplies for rooms furnished for sleeping car service employees, and such other expenses in connection with the operation of sleeping cars as are not provided for elsewhere.

(b) This account shall be charged with the deficits assumed by the carrier under a uniform service contract with The Pullman Company, and shall be credited with the carrier's proportion of profits realized under that contract. It is intended that such charges and credits to this account shall include the entire settlement made by the lessee, except allowances for interest rental and depreciation, and that the results of incidental operation of cars other than sleeping cars will not be excluded from the settlements to be recorded herein.

NOTE: When officers have immediate supervision over sleeping car service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

404 Signal and Interlocker Operation.

This account shall include the cost of operating signals and interlockers other than those solely or principally used for governing all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard switching movements.

(a) *Labor.* The wages of employees engaged in operating signals and interlockers or power producing plants in connection therewith, such as switch tenders, signalmen other than telegraph operators, lever men, switch and signal oilers, battery men, lamp men, lamp cleaners, and lamplighters; gatemen at crossings of other railroads, engineers and others operating plants furnishing compressed air for signals and interlockers; engineers, electricians, and others operating plants furnishing electric power for signals and interlockers.

(b) *Supplies.* The cost of supplies used in operating signals and interlockers or in signal offices, such as gasoline, vitriol, battery zincs, battery coppers, lubricating oils, fuel for heating, fuel for power purposes, produced and purchased power used in operating switches and signals, furniture repairs and renewals, water, and light.

NOTE: The cost of operating signals and interlockers solely or principally used for governing the movement of yard locomotives and trains shall be included in the appropriate yard expense accounts.

405 Crossing Protection.

This account shall include the pay of street and highway crossing gatekeepers and flagmen, the cost of supplies used by them, the cost of lights at street and highway crossings not a part of the lighting outfit at stations or in yards, and the cost of compressed air for operating gates.

406 Drawbridge Operation.

This account shall include the cost of operating drawbridges.

(a) *Labor.* The wages of employees engaged in operating drawbridges, such as bridge engineers, tenders, and watchmen.

(b) *Supplies.* The cost of produced and purchased power and of supplies, such as fuel, oil, lantern, water, waste, boats, stoves, chairs, brooms, and pails used in drawbridge operation.

407 Communication System Operation.

This account shall include the cost of operating communication systems not provided for elsewhere.

TELEGRAPH

Superintendence. The pay of superintendents, censors, their clerks, and attendants.

Operators and messengers. The pay of operators, block inspectors, and messengers in telegraph and relay offices other than those employed in dispatching trains and those located in general offices or at stations.

Other expenses. Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telegraph conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telegraph purposes; also excess payments to telegraph companies when in connection with telegraph service and not provided for elsewhere.

NOTE A: The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 247, "Communication systems."

TELEPHONE

Superintendence. The pay of superintendents, their clerks, and attendants.

Operators and messengers. The pay of operators and messengers in telephone offices other than those employed in dispatching trains and those located in general offices or at stations.

Other expenses. Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telephone conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telephone purposes; also excess payments to telephone companies when in connection with telephone service and not provided for elsewhere.

NOTE B: The pay, rent, other office expenses, and traveling expenses of officers,

employees or their beneficiaries, contri-

Pay and expenses of transportation department employees attending conferences with officers in connection with wage dis-

Temporary facilities for sugarcane, corn, bark, or cordwood.
Transferring passengers, express matter, baggage, mail, and freight on account of defective tracks, bridges, or tunnels.
credited with the carrier's proportion of profits realized under that contract. It is intended that such charges and credits
highway crossings not a part of the main ing outfit at stations or in yards, and the
penses, and traveling expenses

their clerks and attendants, who supervise or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 247, "Communication systems."

RADIO, RADAR, AND INDUCTIVE TRAIN COMMUNICATION

Superintendence. The pay of superintendents or others who supervise operation, and their clerks or attendants.

Operators. The pay of operators other than those employed in dispatching trains and those located in general offices or at stations.

Other expenses. Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of space or facilities occupied by radio, radar, or inductive train equipment; cost of battery and tube renewals; cost of electric current purchased and all other costs incurred for operation and not provided for elsewhere.

NOTE C: The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise, or are engaged both in maintenance and operation shall be apportioned equally between this account and account 247, "Communication systems."

408 Operating Floating Equipment.

This account shall include the cost of operating floating equipment in water transfer (ferriage, lighterage, and floatage).

(a) *Superintendence.* The pay of vice presidents and other officers directly in charge of or engaged in the operation of boats; the pay of their assistants, clerks, and attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Wages of crews.* The pay of captains, pilots, chief officers, mates, sailors, wireless telegraph operators, and other employees of the deck department; engineers, assistant engineers, electricians, oilers, firemen, coal passers, and all other employees of the engineer's department; and pursers, porters, and all other employees in the steward's department, except when engaged in dining and buffet service.

(c) *Fuel.* The cost, on board boats (including the cost of trimming) of coal, oil, wood, and other fuel used for generating power, heat, or light.

(d) *Lubrication.* The cost of oil, grease, tallow, graphite, and other material furnished for lubricating purposes.

(e) *Other supplies and departmental expenses.* The cost of supplies furnished to deck department; the incidental expenses of deck department employees; supplies other than fuel and lubricants, furnished the engineer's department; water furnished to boats; incidental expenses of engineer's department employees; supplies (other than dining and buffet supplies) furnished to the steward's department; laundry for boats; and incidental expenses of steward's department employees.

(f) *Other expenses.* Expenses incident to the operation of floating equipment not otherwise provided for in this account.

ITEMS OF EXPENSE

Customhouse fees.
License fees.
Pumping out boats laid up.
Raising sunken boats.
Transferring passengers in case of accidents.
Wharfage.

(g) *Elevation and longshore labor.* The cost of shore labor in connection with loading and unloading lighterage freight at wharves and piers, such as labor of bridgemen at transfer bridges and of watchmen, longshoremen, stevedores, and other wharfmen.

(h) *Elevation and shore expenses.* Shore expenses in connection with loading and unloading lighterage freight, such as the cost of steam and electricity for power, heating, and lighting; power and supplies used for transfer or float bridges; supplies used in connection with operating wharves and piers and not chargeable to account 376, "Station supplies and expenses."

NOTE A: When the compensation for the use of floating equipment used in water transfer service includes rent, maintenance, and operation, the portion covering rent shall be charged to income account 539, "Rent for floating equipment," the portion covering maintenance shall be charged to the appropriate account for maintenance of equipment, and the portion covering operation shall be included in this account.

NOTE B: This account shall not include the pay of station employees or labor engaged in handling freight at stations, wharves, and piers provided for under account 373, "Station employees," or the pay of employees or labor provided for under account 375, "Coal and ore wharves."

409 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in conducting transportation operations.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, Pensions.

410 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with rail line transportation, including operation of floating equipment. The account shall include cost of printed baggage and storage checks, bills of lading, waybills, postage, and other stationery supplies and printing. This account also shall include the cost of adding machines, typewriters, and other appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in appropriate superintendence accounts, and city directories and books of reference used by station agents shall be charged to account 376, "Station supplies and expenses."

411 Other Expenses.

This account shall include all expenses in connection with rail line transportation not properly chargeable to other transportation accounts.

ITEMS OF EXPENSE

Amounts paid for switching empty cars otherwise than in connection with loaded movements or with the repairs to the equipment.
Amounts paid on account of bills of lading issued on fraudulent receipts.
Amounts paid to suspended transportation department employees covering periods of suspension.
Compensation for property loss incident to failure to stop at station to pick up passengers.
Demurrage accruing on a foreign line by reason of error of carrier's agent.
Extra drayage due to agent's error in routing interline shipment.
Fees paid arbitrators in wage disputes of transportation department employees.
Loss of station funds by burglary, when not covered by insurance.
Loss of train collections in holdup.
Overcharges paid foreign lines on account of error of the carrier's agent in routing and billing.
Pay and expenses of transportation department employees attending conferences with officers in connection with wage disputes.
Payments for switching on account of cars not passing inspection at junction points.
Penalties imposed under reciprocal demurrage laws for failure to furnish cars.
"Penalty switching" payments on account of improper delivery of cars to other carriers.

412 Operating Joint Tracks and Facilities—Dr.

This account shall include the carrier's proportion of the transportation expenses incurred by others in the operation of joint tracks, interlockers, and other facilities which are not provided for in account 390, "Operating joint yards and terminals—Dr."

NOTE A: The purpose of this account is to show the amount accruing against the carrier for its proportion of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by others and in the joint use of which the carrier participates.

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

413 Operating Joint Tracks and Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of transportation expenses incurred by the carrier in the operation of joint tracks, interlockers, and other facilities which are not provided for in account 391, "Operating joint yards and terminals—Cr."

NOTE A: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by the carrier and in the joint use of which others participate.

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

414 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to rail line transportation; also premiums on fidelity bonds of em-

ployees whose pay is chargeable to rail line transportation.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to property reinsured by them.

415 Clearing Wrecks.

This account shall include the cost of clearing wrecks other than wrecks of work trains.

(a) *Labor.* The wages of employees while engaged in connection with wrecking service, loading, and transferring contents of wrecked cars, building temporary tracks around wrecks, and removing such tracks.

(b) *Train service.* The cost of train service in connection with replacing wrecked equipment upon the tracks and transporting such equipment to shops for repairs, including amounts paid to other companies for service of locomotives, derricks, and other equipment and for wages of crews in wrecking service.

(c) *Other supplies and expenses.* Payments for reloading or transferring freight, express, baggage, and mail; transferring passengers and cost of provisions or board for men clearing up or watching at wrecks.

NOTE A: Expenses of clearing wrecks of work trains shall be included in the cost of the work in connection with which the wrecked train was engaged.

NOTE B: The cost of restoring roadbed and tracks to original condition after wrecks and the cost of repairing equipment damaged or destroyed by wrecks shall be charged to the appropriate accounts for maintenance of way and structures and maintenance of equipment.

NOTE C: That proportion of payments to other companies for use of locomotives, derricks, and other equipment in wrecking service which represents rent shall be included in the income accounts.

416 Damage to Property.

(a) This account shall include payments and expenses on account of damages to the property of others, whether by fire, collision, flood, or other cause, with the exception of payments and expenses on account of damage to property intrusted to the carrier for transportation, and for damage to stock on right of way. It shall include also fines or compensation paid for interference with the business of others, as by detention of vessels at drawbridges, or by blocking streets.

(b) This account shall include also the pay, office rent, and office, traveling, and other expenses of employees and others engaged as claim adjusters or as witnesses in lawsuits in connection with damage to property cases, or engaged in detection of thieves; notarial fees paid in connection with such cases; and payments for or repairs of damage to equipment of other carriers, or to property contained therein, such carriers having trackage rights upon or grade crossings over the carrier's tracks.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Damage to livestock on right of way, and damage to freight and baggage intrusted for transportation, are provided for under accounts 417, "Damage to livestock on right of way"; 418, "Loss and damage—Freight"; and 419, "Loss and damage—Baggage."

NOTE B: Expenses incident to suits growing out of damage to property claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE C: The pay, office rent, and the traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

417 Damage to Livestock on Right of Way.

(a) This account shall include payments on account of cattle and other livestock killed or injured while crossing or trespassing on the right of way, including cost of removing and burying the same.

(b) There shall be included in this account also the pay and the traveling, office, and other expenses of employees and others engaged as livestock claim adjusters or engaged as witnesses in law suits in connection with damage to livestock on right of way; also notarial fees in connection with claims for damage to livestock on right of way.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of livestock claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

418 Loss and Damage; Freight.

(a) This account shall include payments and expenses on account of loss, destruction, damage, or delays to revenue freight shipments, including locomotives and cars transported as freight, express matter, milk shipments, and livestock, and expenses incurred on account of such payments; also expenses on account of loss, destruction, or damage to shipments of company material.

(b) This account shall also include the cost of repacking and boxing damaged freight shipments; notarial fees in connection with freight claims; freight charges paid other carriers on lost, destroyed, or damaged shipments; pay, traveling, office, and other expenses of employees or others engaged as freight-claim adjusters, as witnesses in lawsuits in connection with freight-claim cases, in selling damaged and unclaimed shipments or in detecting thieves; rent of warehouses used for storage of damaged and astray freight shipments, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of freight claims.

(c) Amounts received from the sale of astray and damaged freight shall be credited to this account.

(d) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of loss and damage (freight) claims not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

419 Loss and Damage; Baggage.

(a) This account shall include payments for loss, destruction, damage, or delays to baggage and other personal property carried as baggage, and damage to personal apparel; also expenses on account of such loss or damage.

(b) This account shall also include the cost of repacking and boxing damaged baggage; notarial fees in connection with baggage claims; baggage claim payments made to other carriers on lost, destroyed, damaged, or delayed shipments; pay, traveling, office, and other expenses of employees or others engaged as baggage claim adjusters, as witnesses in lawsuits in connection with baggage claim cases, in selling damaged and unclaimed baggage, or in detecting thieves; rent of warehouses used exclusively for storage of damaged and unclaimed baggage, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of claims.

(c) Amounts received from the sale of astray and damaged baggage shall be credited to this account.

(d) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of loss and damage (baggage) claims, not otherwise provided for, shall be included in account 454, "Law expenses."

(a) This account shall include payments and expenses on account of damages to the property of others, whether by fire, collision, flood, or other cause, with the exception of payments

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

NOTE C: When a payment on account of injuries to passengers includes allowance for damage to personal apparel the damage allowance shall be included in this account when separable; otherwise in the appropriate personal injury account.

420 Injuries to Persons.

(a) This account shall include expenses on account of injuries to persons which occur directly in connection with transportation service, including damages for ejectment of passengers.

(b) Services of employees and others called in consultation in relation to claim adjustments; and pay and expenses of employees while engaged as witnesses at inquests and lawsuits, shall be included in this account.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

(b) There shall be included in this account also the pay and the traveling, office, and other expenses of employees

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

NOTE C: When a payment on account of injuries to persons includes allowances for damages to personal apparel, the damage allowance shall be included in account 419, "Loss and damage—Baggage," when separable; otherwise the entire payment shall be included in this account.

(c) Amounts received from the ... astray and damaged freight shall be credited to this account.

Miscellaneous Operations Expenses

440 Miscellaneous Operations.

The primary accounts included in this general account are designed to show the expenses incurred in miscellaneous operations.

441 Dining and Buffet Service.

This account shall include the cost of operating dining and buffet service on trains and transfer boats. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating dining and buffet service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Commissarial employees.* The pay of storekeepers, assistant storekeepers, clerks, porters, and other employees in commissarial supply depots and storehouses.

(c) *Stewards.* The pay of stewards or conductors employed on dining and buffet cars and transfer boats.

(d) *Cooks and waiters.* The pay of cooks, waiters, and assistants on dining and buffet cars and transfer boats.

(e) *Fuel and supplies.* The cost of fuel for cooking purposes; of provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; cost of licenses; and cost of cigars, cigarettes, and tobacco.

(f) *Laundry.* Expenses for laundry work, such as laundering tablecloths, napkins, aprons, etc.

(g) *Stationery and printing.* The cost of stationery and printing used in connection with dining and buffet service.

(h) *Other expenses.* The cost of flowers and plants; cleaning the interior of cars; rent and cost of supplies for rooms furnished for dining and buffet service employees; and such other expenses in connection with the operation of dining and buffet service as are not provided for elsewhere.

NOTE: When officers have immediate supervision over dining and buffet service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

442 Hotels and Restaurants.

This account shall include the cost of operating hotels, restaurants, and lunch counters when the cost of the operated property is includible in the road and equipment accounts. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating hotels, restaurants, and lunch counters; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers.

(b) *Employees.* The pay of stewards, hotelkeepers, storekeepers, checkers, linen clerks, butchers, chefs, cooks, kitchen help, maids, porters, elevator men, call boys, hat and cloak attendants, waiters, waitresses, laundresses, engineers, firemen, and other employees engaged in operating hotels, restaurants, and lunch counters.

(c) *Fuel and supplies.* The cost of fuel for cooking and heating purposes; provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; the cost of liquor licenses; the cost of tobacco, cigars, cigarettes, etc.; and miscellaneous supplies for operating the service.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of hotels and restaurants.

(e) *Other expenses.* The cost of lighting, and other items of expense not otherwise provided for in this account.

NOTE: When officers have immediate supervision over hotels, restaurants, and lunch counters and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

443 Grain Elevators.

This account shall include the cost of operating grain elevators other than small elevators which are classed as station facilities. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of grain-elevator service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Employees.* The pay of engineers, firemen, foremen, machine men, oil-

ers, millwrights, carpenters, trimmers, weighers, spout men, sweepers, laborers, watchmen, and all other employees engaged in operating grain elevators.

(c) *Fuel and supplies.* The cost of fuel for power, heating, and lighting plants; power for heating, lighting, and operating machinery; and water, ice, oil, waste, and other supplies for operating such property.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of grain elevators.

(e) *Other expenses.* The cost of grain used to make up shortage in elevators; rent for and repairs of rented offices; and other operating expenses not otherwise provided for in this account.

NOTE: When officers have immediate supervision over grain elevators and other operations their pay, office, and other expenses; also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

445 Producing Power Sold.

This account shall include the cost of operating power plants, substations, transmission systems and distribution systems, for the production of power sold. The proportion of the cost assignable to the production of the power sold only shall be included in this account. This account shall include:

(a) *Superintendence.* The pay of officers directly in charge of power plants, substations, transmission systems and distribution systems; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(b) *Employees.* The pay of foremen, subforemen, engineers, firemen, electricians, system operators or load dispatchers, dynamo tenders, foremen regulators, regulators and assistants, switchboard men, brush men, oilers, wipers, wiremen, and others engaged in the operation of power plants and substation apparatus and devices.

(c) *Fuel.* The cost of fuel used in the production of power and for heating power plants.

(d) *Other supplies.* The cost of water, lubricants, and other power plant and substation supplies.

(e) *Stationery and printing.* The cost of stationery and printing used in connection with producing power sold.

(f) *Other expenses.* The items of expense not otherwise provided for in this account.

NOTE: When officers have immediate supervision over producing power sold and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

446 Other Miscellaneous Operations.

This account shall include the operations of facilities such as cold-storage plants; coal-storage plants; cotton-compress plants; wood-preserving plants; ice-supply plants, etc., when the cost of the facilities is includible in the road and equipment accounts and they are operated by the railway companies.

NOTE: When officers have immediate supervision over other miscellaneous service and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

447 Operating Joint Miscellaneous Facilities—Dr.

This account shall include the carrier's proportion of such costs as are incurred by others in their operation of joint facilities which are chargeable by them to accounts 442, "Hotels and restaurants," 443, "Grain elevators," 445, "Producing power sold," or 446, "Other miscellaneous operations."

448 Operating Joint Miscellaneous Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of such costs as are incurred by the carrier in its operation of joint facilities which are chargeable by it to accounts 442, "Hotels and restaurants," 443, "Grain elevators," 445, "Producing power sold," or 446, "Other miscellaneous operations."

449 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in miscellaneous operations.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

power plants.

(d) *Other supplies.* The cost of water, lubricants, and other power plant and substation supplies.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for

General Operating Expenses

450 General.

The primary accounts included in this general account are designed to show the expenses incurred of a general character not chargeable to the preceding general accounts, such as those for general administration and accounting, and those of the financial, law, real estate, tax, valuation, and claim departments.

NOTE: Directly assignable administration expenses incident to investments in leased or nonoperating physical property, and in stocks, bonds, and other securities, are chargeable to income account 549, "Maintenance of investment organization."

451 Salaries and Expenses of General Officers.

This account shall include:

(a) *Salaries.* The pay of all general officers and assistant general officers not otherwise provided for, including salaries and fees of receivers and commissions paid to general officers in lieu of salaries.

LIST OF OFFICERS

Chairman of the board.
President.
Assistant to president.
Vice president.
Assistant to vice president.
Secretary; Assistant.
Transfer agent.
Treasurer; Assistant.
Local treasurer.
Comptroller; Assistant.
General auditor; Assistant.
General accountant.
Auditor of revenues.
Auditor of passenger accounts; Assistant.
Auditor of freight accounts; Assistant.
Auditor of station accounts.
Auditor of disbursements; Assistant.
Auditor of miscellaneous accounts; Assistant.
Auditor of coal and coke accounts.
Freight claim agent; Assistant.
Real-estate agent; Assistant.
Tax commissioner.

(b) *Expenses.* The traveling and other expenses of officers whose pay is included in this account, including supplies for business cars used by them, cost of running official trains for them, and cost of membership fees and dues in railway and other associations.

NOTE A: When officers' duties are restricted to a single department, their salaries and expenses shall be charged to that department in the accounts for superintendence or for law expenses, as may be appropriate. When officers have immediate supervision over more than one department, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The pay and expenses of the purchasing agent, assistant purchasing agent, assistant to purchasing agent, general storekeeper, division storekeeper, their clerks and attendants, shall be charged through clearing accounts "Material store expenses" and "Stationery store expenses," or material account "Fuel," as may be appropriate.

452 Salaries and Expenses of Clerks and Attendants.

This account shall include the pay and expenses of clerks and attendants of the officers whose salaries are includible in account 451, "Salaries and expenses of general officers." The account shall include the traveling and other expenses of employees, the cost of supplies for business cars and cost of running official trains for them.

453 General Office Supplies and Expenses.

This account shall include the office expenses of officers designated in account 451, "Salaries and expenses of general officers."

ITEMS OF EXPENSE

Alterations of partitions and fixtures in general offices.
Atlases, maps, and books.
Cable tolls.
Cleaning.
Express charges.
Furniture repairs and renewals.
Heating and lighting.
Local messenger service.
Periodicals and newspapers.
Rent and repairs of general offices.
Rent of tabulating machines.
Reports of commercial standings.
Service of automobiles.
Telegraph and telephone service.
Watchmen service.

NOTE: The proportion of general office expenses occasioned by the law department shall be included in account 454, "Law expenses."

454 Law Expenses.

This account shall include the pay and the office and other expenses, when not provided for elsewhere, of officers and employees of the law department, the cost of suits, and the payments of special law fees.

LIST OF OFFICERS AND EMPLOYEES

General counsel.
General solicitor.
Assistant counsel.
Solicitor.
Commerce counsel.
Commerce agent.
Special counsel
Attorney.
Counsel.
Law agent.
Clerks and office attendants.

ITEMS OF EXPENSE

Arbitrators' services in settlement of disputed questions.
Cost of taking depositions and testimony.
Cost of suits.
Court bonds and court expenses.
Drawing and recording agreements as to trackage rights, etc.
Express charges.
Fees and retainers of attorneys (not regular employees).
Law books, forms, and reports.
Membership fees and dues in associations to protect carriers against litigation in respect to patents.
Membership fees and dues in law associations.
Notarial fees not provided for elsewhere.
Office expenses
Printing of briefs, testimony, and reports.
Proportion of general office expenses.
Rent of offices.
Special fees.
Telegraph and telephone service.
Traveling expenses.
Witness fees not provided for elsewhere.

455 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to general account 450, "General"; also premiums on fidelity bonds of officers and employees whose pay is chargeable to general account 450, "General."

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

456 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in accounting, law, and other general administration.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

457 Pensions.

(a) This account shall include amounts payable for the current year to trustees under pension plans for pension costs computed on basis of employees services in the year and for pension costs computed on basis of credits for past services. This includes retired employees and former employees covered in such plans, as well as employees now in service. The account shall also include the amount for which the carrier is liable to cover cost of pensions vested in employees who have qualified for pensions in advance of payment to trustees. This account shall include amounts payable for each year directly to retired employees or to their beneficiaries when no trust fund exists. Also, in the case of an unfunded pension plan, when an employee retires and is granted a pension the total present worth of the pension actuarially computed may be charged to this account, provided this method of accounting for such expense is consistently followed.

(b) If the amount payable to the trustees for pensions for the current year is not paid before the accounts are closed, the item (estimated if necessary) shall be charged to this account and concurrently credited to account 759, "Accrued accounts payable"; or account 753, "Audited accounts and wages payable", in case the amount is covered by audited voucher.

(c) The amounts to be charged to this account each year for costs of pensions, including credits based upon prior services, shall be in agreement, as nearly as practicable, with deductions includible in the Federal income tax return for the year under pension plan adopted by the carrier for making payments to the trustees. When payments attributable to prior services made to trustees at the time the pension plan is adopted or subsequently are materially in excess of deductions includible in the tax return for the year, such excess shall be in-

cluded in account 743, "Other deferred charges", and cleared thereafter to account 457 in the years in which deductions are includible in tax returns. (See Note B).

(d) Carriers shall maintain a complete record of payments to trustees for pensions and shall be prepared to furnish to the Commission full information of the plan under which it has created a pension fund and a copy of the declaration of trust and resolution under which the pension plan is established.

NOTE A: Premiums on group and other insurance policies and also other costs of employees health and welfare benefits (but not including pensions) are includible in the separate primary accounts under the general accounts for maintenance, traffic, transportation, miscellaneous operations, and general expenses, as may be appropriate, according to distribution of the pay of the employees covered by the contracts. (See instruction 1-9.)

NOTE B: Reserves heretofore authorized and recorded in the accounts as of the effective date of this system of accounts for pension costs, not funded, may be retained unless otherwise directed by the Commission. Also, payments heretofore made to trustees and charged off against income or retained income are not to be reversed, unless otherwise directed or authorized by the Commission.

NOTE C: In the case of an existing pension plan, if the carrier should desire to conform its accounting to the *full accrual basis* of accounting, application to do so may be made to the Commission for consideration and such accounting shall not be performed unless approved by the Commission. *Full accrual basis* as used herein means recording in the accounts now and hereafter costs of employees pensions accrued, including credits for past services, upon the basis of actuarial computations, even though the sum has not been funded by payment to the trustees. Applications for such accounting shall show the method of computation, together with the carrier's proposal for recording in the accounts the related income tax credits to be realized in subsequent years.

458 Stationery and Printing.

This account shall include the cost of postage and of stationery and printing used in general offices and not chargeable to other accounts, including the cost of printing annual reports, contracts, leases, stock certificates, and passes. This account also shall include the cost of adding and calculating machines, typewriters and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE A: The cost of printing briefs, legal forms, testimony, reports, etc., for the law department is chargeable to account 454, "Law expenses."

NOTE B: The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account 742, "Unamortized discount on long-term debt."

460 Other Expenses.

This account shall include incidental general expenses which are not properly chargeable to any of the foregoing accounts.

ITEMS OF EXPENSE

Cost of draping buildings.
Cost of publishing annual reports in newspapers, and other corporate and financial notices of general character.
Cost of publishing notices of stockholders' meetings and of election of directors.
Exchange (other than foreign exchange) on checks cashed or deposited and on drafts bought.
Fees and expenses paid to directors and trustees.
Loss through payment of wages to a wrong person.
Penalties assessed for nonpayment of claims for overcharges.

461 General Joint Facilities—Dr.

This account shall include the carrier's proportions of general expenses incurred by others incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE: The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of general administration of tracks, yards, terminals and other facilities administered by others, and in the joint use of which the carrier participates.

462 General Joint Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of general expenses incurred by the carrier incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the expense of general administration of tracks, yards, terminals, and other facilities administered by the carrier, and in the joint use of which others participate.

Condensed Classification of Operating Expenses

480 Accounts for Small Carriers, Class II.

See Instruction 1, Classification of Carriers. The condensed groupings of accounts for Class II small carriers are as follows:

CONDENSED CLASSIFICATION OF OPERATING EXPENSES

Accounts for Small Carriers—Class II	*Accounts for Large Carriers—Class I*
Maintenance of Way and Structures	200. Maintenance of Way and Structures.
2201. Superintendence	201. Superintendence
2202. Roadway maintenance	202. Roadway maintenance. 206. Tunnels and subways. 208. Bridges, trestles and culverts. 210. Elevated structures. 212. Ties. 214. Rails. 216. Other track material. 218. Ballast. 220. Track laying and surfacing. 221. Fences, snowsheds and signs. 247. Communication systems. 249. Signals and interlockers. 272. Removing snow, ice, and sand.
2203. Maintaining structures	227. Station and office buildings. 229. Roadway buildings. 231. Water stations. 233. Fuel stations. 235. Shops and enginehouses. 237. Grain elevators. 239. Storage warehouses. 241. Wharves and docks. 243. Coal and ore wharves. 253. Power plants. 257. Power-transmission systems. 265. Miscellaneous structures.
2203½. Retirements—[2]Road	267. Retirements—Road.
2204. Dismantling retired road property	270. Dismantling retired road property.
2205. Equalization—Way and structures	280. Equalization—Way and structures.
2208. Road property—Depreciation	266. Road property—Depreciation.
2209. Other maintenance of way expenses.	269. Roadway machines. 271. Small tools and supplies. 273. Public improvements—Maintenance. 274. Injuries to persons. 275. Insurance. 276. Stationery and printing. 277. Employees health and welfare benefits. 281. Right-of-way expenses. 282. Other expenses.
2210. Maintaining joint tracks, yards, and other facilities—Dr.	278. Maintaining joint tracks, yards, and other facilities—Dr.
2211. Maintaining joint tracks, yards, and other facilities—Cr.	279. Maintaining joint tracks, yards, and other facilities—Cr.
Maintenance of Equipment	300. Maintenance of Equipment.
2221. Superintendence	301. Superintendence.
2222. Repairs to shop and power-plant machinery.	302. Shop machinery. 304. Power-plant machinery.
2223. Shop and power-plant machinery—Depreciation.	305. Shop and power-plant machinery—Depreciation.
2224. Dismantling retired shop and power-plant machinery.	306. Dismantling retired shop and power-plant machinery.
2225. Locomotive repairs	308. Steam locomotives—Repairs. 311. Other locomotives—Repairs.
2226. Car repairs	314. Freight-train cars—Repairs. 317. Passenger-train cars—Repairs.

CONDENSED CLASSIFICATION OF OPERATING EXPENSES—Continued

Accounts for Small Carriers—Class II	Accounts for Large Carriers—Class I
2227. Other equipment repairs	323. Floating equipment—Repairs. 326. Work equipment—Repairs. 328. Miscellaneous equipment—Repairs.
2228. Dismantling retired equipment	329. Dismantling retired equipment.
2229. Retirements—Equipment	330. Retirements—Equipment.
2231. Equalization—Equipment	338. Equalization—Equipment.
2234. Equipment—Depreciation	331. Equipment—Depreciation.
2235. Other equipment expenses	332. Injuries to persons. 333. Insurance. 334. Stationery and printing. 335. Employees health and welfare benefits. 339. Other expenses.
2236. Joint maintenance of equipment expenses—Dr.	336. Joint maintenance of equipment expenses—Dr.
2237. Joint maintenance of equipment expenses—Cr.	337. Joint maintenance of equipment expenses—Cr.
Traffic	350. Traffic.
2240. Traffic expenses	351. Superintendence. 352. Outside agencies. 353. Advertising. 354. Traffic associations. 355. Fast freight lines. 356. Industrial and immigration bureaus. 357. Insurance. 358. Stationery and printing. 359. Employees health and welfare benefits. 360. Other expenses.
Transportation—Rail Line	370. Transportation—Rail Line.
2241. Superintendence and dispatching	371. Superintendence. 372. Dispatching trains.
2242. Station service	373. Station employees. 374. Weighing, inspection and demurrage bureaus. 375. Coal and ore wharves. 376. Station supplies and expenses.
2243. Yard employees	377. Yardmasters and yard clerks. 378. Yard conductors and brakemen. 379. Yard switch and signal tenders. 380. Yard enginemen.
2244. Yard switching fuel	382. Yard switching fuel.
2245. Miscellaneous yard expenses	383. Yard switching power produced. 384. Yard switching power purchased. 385. Water for yard locomotives. 386. Lubricants for yard locomotives. 387. Other supplies for yard locomotives. 388. Enginehouse expenses—Yard. 389. Yard supplies and expenses.
2246. Operating joint yards and terminals—Dr.	390. Operating joint yards and terminals—Dr.
2247. Operating joint yards and terminals—Cr.	391. Operating joint yards and terminals—Cr.
2248. Train employees	392. Train enginemen. 401. Trainmen.
2249. Train fuel	394. Train fuel.
2251. Other train expenses	395. Train power produced. 396. Train power purchased. 397. Water for train locomotives. 398. Lubricants for train locomotives. 399. Other supplies for train locomotives. 400. Enginehouse expenses—Train. 402. Train supplies and expenses. 403. Operating sleeping cars.
2226. Car repairs	311. Other locomotives—Repairs. 314. Freight-train cars—Repairs. 317. Passenger-train cars—Repairs.

CONDENSED CLASSIFICATION OF OPERATING EXPENSES—Continued

Accounts for Small Carriers—Class II	Accounts for Large Carriers—Class I
2252. Injuries to persons	420. Injuries to persons.
2253. Loss and damage	418. Loss and damage—Freight. 419. Loss and damage—Baggage.
2254. Other casualty expenses	414. Insurance. 415. Clearing wrecks. 416. Damage to property. 417. Damage to livestock on right of way.
2255. Other rail transportation expenses	404. Signal and interlocker operations. 405. Crossing protection. 406. Drawbridge operation. 407. Communication system operation. 408. Operating floating equipment. 409. Employees health and welfare benefits. 410. Stationery and printing. 411. Other expenses.
2256. Operating joint tracks and facilities—Dr.	412. Operating joint tracks and facilities—Dr.
2257. Operating joint tracks and facilities—Cr.	413. Operating joint tracks and facilities—Cr.
Miscellaneous Operations	440. Miscellaneous Operations.
2258. Miscellaneous operations	441. Dining and buffet service. 442. Hotels and restaurants. 443. Grain elevators. 445. Producing power sold. 446. Other miscellaneous operations. 449. Employees health and welfare benefits.
2259. Operating joint miscellaneous facilities—Dr.	447. Operating joint miscellaneous facilities—Dr.
2260. Operating joint miscellaneous facilities—Cr.	448. Operating joint miscellaneous facilities—Cr.
General	450. General.
2261. Administration	451. Salaries and expenses of general officers. 452. Salaries and expenses of clerks and attendants. 453. General office supplies and expenses. 454. Law expenses.
2262. Insurance	455. Insurance.
2264. Other general expenses	456. Employees health and welfare benefits. 457. Pensions. 458. Stationery and printing. 460. Other expenses.
2265. General joint facilities—Dr.	461. General joint facilities—Dr.
2266. General joint facilities—Cr.	462. General joint facilities—Cr.

INCOME ACCOUNTS

501 Railway Operating Revenues.

This account shall include the total revenues derived from operations as shown in the primary revenue accounts provided elsewhere in these regulations.

502 Revenues from Miscellaneous Operations.

This account shall include the total revenues derived from the operation of miscellaneous operating physical property, such as that the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: The income from miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

503 Hire of Freight Cars; Credit Balance.

This account shall include, except as provided in the texts of accounts 509, "Income from lease of road and equipment," and 542, "Rent for leased roads and equipment," the net credit balance of (a) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (b) amounts payable accrued for the use of the freight cars of others, leased or interchanged.

NOTE A: If the net balance is a debit, it shall be included in account 536, "Hire of freight cars—Debit balance."

NOTE B: Rent for freight cars included in the lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

NOTE C: Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work.

504 Rent from Locomotives.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's locomotives leased or interchanged.

NOTE: Rent for locomotives included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

505 Rent from Passenger-Train Cars.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's passenger-train cars leased or interchanged.

NOTE: Rent for passenger-train cars included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

506 Rent from Floating Equipment.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's floating equipment leased or chartered.

NOTE: Rent from floating equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

507 Rent from Work Equipment.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's work equipment leased or interchanged.

NOTE: Rent for work equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

508 Joint Facility Rent Income.

(a) This account shall include amounts receivable accrued for rent of equipment, tracks, yards, terminals, and other facilities owned or controlled by the accounting company and used jointly with other companies or individuals.

(b) Amounts receivable from other companies in reimbursement for taxes on property jointly used shall be credited to this account.

NOTE: The portion of the cost of maintenance, operation, or administration of joint facilities recoverable from others shall be credited to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the creditor between this account and the appropriate joint facility operating expense accounts.

509 Income from Lease of Road and Equipment.

(a) This account shall include the entire amount receivable accrued for the exclusive use of road, tracks, or bridges (including equipment or other railway property covered by the contract), the rented property being owned or controlled by the accounting company, whether payable to the accounting company in cash or disbursed by the lessee on behalf of the accounting company as interest on funded debt, guaranteed dividends on stock, or otherwise.

(b) When the lessor company maintains the road and equipment leased, the cost of maintaining the property rented shall be charged to this account, except that when the rent thus receivable for the use of property other than equipment is relatively small and the expense of maintenance is not separable, the entire amount received may be credited to revenue account 142, "Rents of buildings and other property."

(c) If, under the terms of a lease, the deficit, or any portion of it, resulting from the lessee company's operations of the property leased is payable by the lessor company, the amount thus payable shall be charged to this account by the lessor.

NOTE A: When taxes on leased property are assumed by the lessor, the accruals of such taxes shall be included in the lessor's account 532, "Railway tax accruals."

NOTE B: If property the rent of which is chargeable to account 542, "Rent for leased roads and equipment," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE C: When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

510 Miscellaneous Rent Income.

(a) This account shall include such rents of property owned and controlled by the accounting carrier as are not provided for in the foregoing accounts.

(b) This account shall be charged with the cost of maintenance of the property rented, also specific incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

NOTE A: If property the rent of which is chargeable to account 543, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE B: Taxes on property the rent of which is creditable to this account shall be charged to account 532, "Railway tax accruals."

NOTE C: The rent from property carried in balance-sheet account 737, "Miscellaneous physical property," shall not be included in this account, but in account 511, "Income from nonoperating property."

NOTE D: Rent and other income from real estate acquired for new lines or for additions and betterments shall be credited to the appropriate road and equipment accounts until the completion or coming into service of the property.

511 Income from Nonoperating Property.

This account shall include the net credit balance of the nonoperating revenues or income from, and the expenses including depreciation (but excluding taxes) of physical property the cost of which is carried in balance-sheet account 737, "Miscellaneous physical property."

NOTE A: Net debit balances in this account shall be so indicated.

NOTE B: The revenues from the operation of miscellaneous operating physical property shall be included in income account 502, "Revenues from miscellaneous operations," and the expenses of operation shall be included in account 534, "Expenses of miscellaneous operations."

512 Separately Operated Properties; Profit.

(a) This account shall include amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, to the accounting company.

(b) In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses but also to other items of income or deduction which affect that amount.

NOTE A: The amount payable by the operating company shall be charged by it to account 550, "Income transferred to other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies, and held or controlled by the

accounting company, shall be included in requisite to extinguish, during the in- other companies or individuals, repre- or outstanding; gross or net earnings,

This account shall include, except as provided in the text of account 509, "Income from sinking and other reserve funds," the amount of creditor between this account and the appropriate joint facility operating expense accounts.

Note B: Dividends or other returns upon securities issued by separately operated companies, and held or controlled by the accounting company, shall be included in accounts 513, "Dividend income," 514, "Interest income," or 516, "Income from sinking and other reserve funds," as may be appropriate.

513 Dividend Income.

(a) This account shall include dividends declared on railway and other stocks, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

(b) Dividends declared shall not be credited prior to actual collection unless their payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 708, "Interest and dividends receivable.")

(c) Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

Note A: This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

Note B: Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account 516, "Income from sinking and other reserve funds."

514 Interest Income.

(a) This account shall include the interest on securities and debenture stock of other companies, the income from which is the property of the accounting company, whether such securities are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

(b) The account shall also include interest on notes and other evidences of indebtedness and interest on bank balances, open accounts, and other analogous items, including discount on short-term notes. Interest accrued shall not be credited prior to actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 708, "Interest and dividends receivable.")

(c) At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on securities of other companies owned (other than short-term notes). Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried. The discount on short-term notes shall be distributed through equal monthly credits, over the terms of the notes.

Note A: This account shall not include interest on securities issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

Note B: Interest on securities other than those of the accounting company, and on other assets held in sinking or other reserve funds shall be included in account 516, "Income from sinking and other reserve funds."

Note C: Discount on bills for material purchased shall be credited to the accounts to which is charged the cost of the material with respect to which the discount is allowed.

516 Income from Sinking and Other Reserve Funds.

(a) This account shall include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the accounting company) held in sinking and other reserve funds. (See Note C to account 708, "Interest and dividends receivable.")

(b) At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

517 Release of Premiums on Funded Debt.

This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt as may be applicable to the period. (See instruction 6–3.)

518 Contributions from Other Companies.

(a) This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company when, under the terms of agreements or contract, no obligation for subsequent reimbursement is incurred.

(b) In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

Note: The amount payable shall be charged by the contributing company to account 545, "Separately operated properties—Loss."

519 Miscellaneous Income.

(a) This account shall include all items, not provided for elsewhere, properly creditable to income accounts during the current year. Among the items which shall be included in this account are:

Cancellation of balance sheet accounts representing unclaimed wages and vouchered accounts written off because of carrier's inability to locate the creditor.

Profit from sale of securities carried as temporary cash investments.

Profit from sale of land used for transportation purposes, of noncarrier property, and of securities acquired for investment purposes.

Profit from company bonds reacquired.

(b) When the profit from sale of land, noncarrier property, or investment securities other than temporary cash investments, or from the reacquisition of the company's own bonds, is so material in amount that its inclusion in income account would distort and impair the significance of net income for the year, such profit shall be credited to the appropriate retained income account.

531 Railway Operating Expenses.

This account shall include the total expenses caused by operations, as shown in the primary expense accounts provided in these regulations.

532 Railway Tax Accruals.

(a) This account shall include accruals for taxes of all kinds relating to railway property (including floating equipment, if any), operations, and privileges, whether based upon the valuation of the property, amount of stocks and bonds or other evidences of debt issued or outstanding; gross or net earnings, dividends declared, number of passengers carried, quantity of freight transported, length of line operated or owned, rolling stock operated or owned, or other basis; also taxes for issuing and recording mortgages and trust deeds and for issuing bonds or other evidences of long-term debt.

(b) The taxes on leased property shall be included in this account by the carrier obligated to assume such expenses under the terms of the lease.

(c) Accruals for Federal income taxes shall be included in this account, except that the tax consequences of the items recorded directly in retained income accounts shall be included in account 617, "Federal income taxes assigned to retained income." Details pertaining to the tax consequences of other unusual and significant items excluded from income accounts, and also cases where tax consequences are disproportionate to the related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to the proper accounting for the tax consequences.

(d) Federal income taxes paid in prior years which are refundable as the result of carry-back of operating loss shall be credited to this account in the year in which the loss occurs. The reduction in taxes due to operating losses carried forward shall be credited to this account in the year in which such losses are applied to reduce taxes, except as otherwise provided in account 606, "Other credits to retained income."

Note A: Taxes on leased property paid by one party to the lease and chargeable to the other party to the lease shall be charged directly to the party bearing the expense and not included in the income account of the party first making payment.

Note B: Taxes on other than railway property, operations, and privileges shall be charged to account 535, "Taxes on miscellaneous operations property", or 544, "Miscellaneous tax accruals," as may be appropriate.

Note C: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment accounts, as may be appropriate.

Note D: Amounts received in reimbursement of taxes on property jointly used shall be credited to account 508, "Joint facility rent income." Amounts paid in reimbursement of such taxes shall be charged to account 541, "Joint facility rents."

NOTE E: Taxes accruing on new lines under construction or on property acquired for the extension of existing lines or for addition or betterment purposes before the facilities are opened for commercial operation or the property acquired becomes available for service shall be charged to road and equipment accounts.

534 Expenses of Miscellaneous Operations.

This account shall include the total expenses caused by the operation of miscellaneous physical property the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: The expenses of miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

535 Taxes on Miscellaneous Operating Property.

This account shall include accruals of taxes paid or payable upon miscellaneous operating property, such as that the cost of which is includible in account 737, "Miscellaneous physical property."

NOTE: Taxes upon miscellaneous nonoperating physical property shall be included in account 544, "Miscellaneous tax accruals."

536 Hire of Freight Cars; Debit Balance.

This account shall include, except as provided for in the classification for investment in road and equipment and in the texts of accounts 509, "Income from lease of road and equipment," and 542, "Rent for leased roads and equipment," the net debit balance of (a) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (b) amounts payable accrued for the use of the freight cars of others, leased or interchanged.

NOTE A: If the net balance is a credit, it shall be included in account 503, "Hire of freight cars—Credit balance."

NOTE B: Rent for freight cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE C: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE D: Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work.

537 Rent for Locomotives.

This account shall include amounts payable accrued for the use of the locomotives of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent for locomotives included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for locomotives used in construction work-train service is chargeable to the cost of the work.

538 Rent for Passenger-train Cars.

This account shall include amounts payable accrued for the use of the passenger-train cars of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent for passenger-train cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

539 Rent for Floating Equipment.

This account shall include amounts payable accrued for the use of the floating equipment of others, leased or chartered, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent of floating equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

540 Rent for Work Equipment.

This account shall include amounts payable accrued for the use of the work equipment of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent for work equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for work equipment when used in construction work-train service is chargeable to the cost of the work.

541 Joint Facility Rents.

(a) This account shall include amounts payable accrued as rent for equipment, tracks, yards, terminals, and other facilities owned or controlled by other carriers, companies, or individuals, and in the joint use of which the accounting company participates.

(b) Amounts paid or payable by the accounting company in reimbursement for taxes on property jointly used shall be charged to this account.

NOTE: The cost of maintenance, operation, or administration of joint facilities, chargeable to the accounting company, shall be charged to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned between this account and the appropriate joint facility operating expense accounts. This apportionment shall be made by the operating company, and shall be followed by the accounting company.

542 Rent for Leased Roads and Equipment.

This account shall include amounts payable accrued as rent for roads, tracks, or bridges (including equipment or other railway property covered by the contract) the property being owned by other companies and held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The entire amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise.

NOTE A: When taxes on leased property are assumed by the lessee the accruals of such taxes shall be included in the lessee's account 532, "Railway tax accruals."

NOTE B: If, under the terms of a lease, the deficit or any portion of it resulting from the lessee's operation of the property leased is payable by the lessor company, the amount shall be charged to account 509, "Income from lease of road and equipment," by the lessor and credited to this account by the lessee.

NOTE C: If property, the rent of which is chargeable to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account 509, "Income from lease of road and equipment."

NOTE D: Payments for the exclusive use of road and equipment maintained by the lessor and used in the accounting company's operations (when considerable in amount and when not provided for in the classifications of operating expenses) shall be divided into two portions: One, representing the cost of maintenance shall be charged to the appropriate maintenance accounts and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account.

NOTE E: When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it, the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

543 Miscellaneous Rents.

This account shall include rents payable accrued on property held by the accounting company under lease or other agreement and not properly chargeable to any of the foregoing accounts.

NOTE A: This account shall not include rents provided for in the operating expense accounts.

NOTE B: If property, the rent of which is chargeable to this account, is sublet to others the rent from the sublease shall be credited to the appropriate rent income account depending on the classification of the property as transportation or nontransportation in the same manner as property owned by the carrier.

NOTE C: Payments for the exclusive use of miscellaneous property maintained by the lessor and used by the accounting company shall be divided into two portions: One, representing the cost of maintenance, shall be charged to the appropriate operating accounts, and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account. The bill rendered by the creditor shall show the distribution of the payments as between maintenance and rent, and such distribution shall be adhered to by the debtor.

544 Miscellaneous Tax Accruals.

This account shall include all accruals for taxes not provided for elsewhere, such as taxes on securities owned, taxes on income from securities owned, and taxes on miscellaneous nonoperating physical property the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

This account shall include amounts payable accrued for the use of the loco-

company shall be included in account 542, "Rent for leased roads and equipment."

lessee.

physical property the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: Taxes upon miscellaneous *operating* property shall be charged to account 535, "Taxes on miscellaneous operating property."

545 Separately Operated Properties; Loss.

(a) This account shall include amounts payable under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, by the accounting company.

(b) In determining the amount payable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deductions which affect that amount.

NOTE A: The amount receivable by the operating company shall be credited by it to account 518, "Contributions from other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies and held or controlled by the accounting company shall not be included in this account to offset a deficit payable, but in accounts 513, "Dividend income"; or 514, "Interest income," as may be appropriate.

546 Interest on Funded Debt.

This account shall include the current accruals of interest on all classes of long-term debt, the principal of which is includible in accounts 765, "Funded debt unmatured"; 766, "Equipment obligations"; 767, "Receivers' and trustees' securities"; 768, "Debt in default"; and 769 "Amounts payable to affiliated companies." This account shall be kept in such form that the interest on receivers' and trustees' securities, and on other classes of funded debt may be shown separately in the annual report to the Commission.

NOTE A: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: When funded debt is incurred for new lines or extensions, or for addition and betterment purposes, the accruals of interest on such funded debt (less interest received on unexpended balances), to the date of completion or coming into service of the property so acquired shall be included in the road and equipment accounts.

NOTE C: This account shall be maintained so as to show separately: (a) fixed interest which will be paid, or for which provision for payment will be made, when the interest matures; (b) interest in default; and (c) contingent interest determined to be payable.

547 Interest on Unfunded Debt.

This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue, and open accounts including discount and expense on demand and short-term loans, interest on receipts outstanding for installments paid on capital stock, interest on deferred payments for public improvements, and other analogous items. The discount on short-term notes, if of a considerable amount shall be distributed through equal monthly charges, over the term of the notes.

NOTE: When short-term notes or other evidences of unfunded indebtedness are issued for new lines or extensions or for addition and betterment purposes the accrual of interest to the date of completion or coming into service of the property shall be included in the road and equipment accounts.

548 Amortization of Discount on Funded Debt.

(a) This account shall be charged during each fiscal period with the proportion of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt.

(b) The charge to this account for any period must not be either greater or less than the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount and expense remains unextinguished, except that if the total discount and expense applicable to any particular issue of securities does not exceed $25,000, the entire amount may be charged to this account at time of issue.

549 Maintenance of Investment Organization.

This account shall include the directly assignable administration expenses of the accounting company which are incident to its investments in leased or nonoperating physical property, and in stocks, bonds, or other securities.

ITEMS OF EXPENSE

Advertising annual reports (lessor companies only).
Calls for bonds in accordance with sinking fund provisions of mortgages.
Directors' fees.
Printing and mailing dividend checks.
Publishing and mailing annual reports and other corporate statements to shareholders.
Publishing notices of declaration of dividends.
Law expenses.
Office expenses.
Salaries of officers, clerks, and attendants.
Stationery and printing.

NOTE: Administration expenses incident to railway operation are includible in the primary accounts provided for in operating expense general account 450, "General."

550 Income Transferred to Other Companies.

(a) This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts without obligation for reimbursement.

(b) In determining the amount payable by the accounting company, consideration shall be given not only to operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE A: The amount receivable by the other company shall be credited by it to account 512, "Separately operated properties—Profit."

NOTE B: Dividends or other payments upon securities issued or assumed by the accounting company shall not be included in this account.

551 Miscellaneous Income Charges.

(a) This account shall include items, not provided for elsewhere, properly chargeable to income account during the current year. Among the items which shall be included in this account are:

Interest on tax deficiencies, on overcharge claims, and on court awards.

Income tax upon the interest on the accounting company's funded debt when these taxes are assumed by the company.

Payments of old accounts previously written off.

Penalties and fines for violation of the Interstate Commerce Act or other Federal and State laws when not specifically provided for elsewhere.

Loss on sale of securities carried as temporary cash investments.

Loss on sale of land used for transportation purposes, and of noncarrier property.

Loss on sale of securities acquired for investment purposes, and charges to write down the ledger value of such securities because of impairment in their value.

Loss from company bonds reacquired.

(b) When the loss on the sale of land, noncarrier property, or investment securities other than temporary cash investments, or on the reacquisition of the company's own bonds, is so material in amount that its inclusion in income account would distort and impair the significance of net income for the year, such loss shall be debited to the appropriate retained income account.

560 Form of Income Statement.

The classified form of income statement is designed to show the financial changes resulting from transportation operations and other business of the accounting company during any specified period.

OPERATING INCOME

Railway Operating Income

501. Railway operating revenues [1]	——
531. Railway operating expenses [1]	——
Net revenue from railway operations [2]	——
532. Railway tax accruals [1]	——
Railway operating income [2]	——

Rent Income

503. Hire of freight cars—Credit balance	——
504. Rent from locomotives	——
505. Rent from passenger-train cars	——
506. Rent from floating equipment	——
507. Rent from work equipment	——
508. Joint facility rent income	——
Total rent income	——

Rents Payable

536. Hire of freight cars—Debit balance	——
537. Rent for locomotives	——
538. Rent for passenger-train cars	——
539. Rent for floating equipment	——
540. Rent for work equipment	——
541. Joint facility rents	——
Total rents payable	——
Net rents [2]	——
Net railway operating income [2]	——

Other Income

502. Revenues from miscellaneous operations	——

[1] Includes operations of water lines, if any.
[2] If a loss the amount shall be so indicated.

Other Income—Continued

509. Income from lease of road and equipment ——
510. Miscellaneous rent income ——
511. Income from nonoperating property ——
512 Separately operated properties—Profit ——
513. Dividend income ——
514. Interest income ——
516. Income from sinking and other reserve funds ——
517. Release of premiums on funded debt ——
518. Contributions from other companies ——
519. Miscellaneous income ——
Total other income ——
Total income [2] ——

Miscellaneous Deductions From Income

534. Expenses of miscellaneous operations ——
535. Taxes on miscellaneous operating property ——
543. Miscellaneous rents ——
544. Miscellaneous tax accruals ——
545. Separately operated properties—Loss ——
549. Maintenance of investment organization ——
550. Income transferred to other companies ——
551. Miscellaneous income charges ——
Total miscellaneous deductions ——
Income available for fixed charges [2] ——

[2] If a loss the amount shall be so indicated.

Fixed Charges

542. Rent for leased roads and equipment ——
546. Interest on funded debt:
(a) Fixed interest not in default ——
(b) Interest in default ——
547. Interest on unfunded debt ——
548. Amortization of discount on funded debt ——
Total fixed charges ——
Income after fixed charges [2] ——

Other Deductions

546. Interest on funded debt:
(c) Contingent interest —— ——
Net income after fixed charges and other deductions [2] ——

Supplementary Statement of Specified Income Items

Net railway operating income ——
Add depreciation—Way and structures ——
Add depreciation—Equipment —— ——
Net railway operating income before depreciation ——
Net income ——
Add Federal income taxes —— ——
Net income before Federal income taxes ——
Net income ——
Add depreciation—Way and structures ——
Add depreciation—Equipment ——
Add Federal income taxes —— ——
Net income before depreciation and Federal income taxes ——

RETAINED INCOME ACCOUNTS

Credit

601 Credit Balance (at Beginning of Calendar Year).

This account shall include the net credit balance in the retained income account at the beginning of the calendar year.

602 Credit Balance Transferred from Income.

This account shall show the net credit balance brought forward from the income account for the calendar year.

603 Profit from Sale of Property.

This account shall include profit derived from the sale of land used for transportation purposes and of noncarrier property, when such profit is material in relation to net income for the year. (See account 519, "Miscellaneous income").

604 Profit from Sale of Investment Securities.

This account shall include profit derived from the sale of investment securities, other than temporary cash investments, when such profit is material in relation to net income for the year.

NOTE: Profit from sale of securities carried as temporary cash investments shall be credited to account 519, "Miscellaneous income".

605 Profit from Company Bonds Reacquired.

This account shall include the amount of profit resulting from adjustments required to bring to par, bonds and other debt securities issued or assumed by the company and reacquired at a cost less than the par value, after giving effect to unreleased premiums and unextinguished discount on such securities, when the amount is material in relation to net income for the year.

NOTE: When the aggregate amount resulting from adjustments for securities reacquired is not material in relation to net income for the year, that amount shall be credited to account 519, "Miscellaneous income." In determining whether the amount of profit is material, all adjustments in this account together with the adjustments in account 615, "Loss on company bonds reacquired", shall be considered.

606 Other Credits to Retained Income.

(a) This account shall include nonrecurring profits and credit adjustments, not provided for elsewhere, which are so material in amount that inclusion in income accounts would distort such accounts and impair the significance of net income for the year. Among amounts which shall be included in this account are adjustments of items relating to prior years other than ordinary adjustments of a recurring nature, such as unusual credit adjustments and refunds of Federal income taxes of prior years, unusual adjustments of reserves of prior years determined to be excessive, and other items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year. (See account 519, "Miscellaneous income.")

(b) The account may also include profits and credit adjustments, not provided for elsewhere, resulting from unusual transactions and events which occurred during the current year, but only after such inclusion has been authorized by the Commission.

(c) Ordinary adjustments of a recurring nature shall be included in the same account or accounts which would have been credited if the item had been taken up or adjusted in the year to which it pertained.

Debit

611 Debit Balance (at Beginning of Calendar Year).

This account shall include the net debit balance in the retained income account at the beginning of the calendar year.

612 Debit Balance Transferred from Income.

This account shall show the net debit balance brought forward from the income account for the calendar year.

613 Loss on Sale or Retirement of Property.

This account shall include the loss on sale or retirements of land and on nontransportation property, for which a depreciation reserve has not been provided, when such loss is material in relation to net income for the year. (See account 551, "Miscellaneous Income Charges.") This account also shall include loss on sale or retirement of transportation property, for which depreciation reserve has not been provided, when so authorized by the Commission.

614 Loss on Sale of Investment Securities.

This account shall include loss incurred on the sale of investment securities, other than temporary cash investments, when such loss is material in relation to net income for the year.

NOTE: Loss on sale of securities carried as temporary cash investments shall be charged to account 551, "Miscellaneous income charges".

615 Loss on Company Bonds Reacquired.

(a) This account shall include the amount of loss resulting from adjustments required to bring to par, bonds and other debt securities issued or assumed by the company and reacquired at a cost exceeding the par value, after giving effect to unreleased premiums and unextinguished discount on such securities, when the amount is material in relation to net income for the year.

(b) When the aggregate amount resulting from adjustments for securities reacquired is not material in relation to net income for the year, this amount shall be charged to account 551, "Miscellaneous income charges." In determining whether the amount of loss is material, all adjustments in this account together with the adjustments in account 605, "Profit from company bonds reacquired", shall be considered.

616 Other Debits to Retained Income.

(a) This account shall include nonrecurring losses and debit adjustments not provided for elsewhere, which are so material in amount that inclusion in income accounts would distort such accounts and impair the significance of net income for the year. Among amounts which shall be included in this account are adjustment of items relating to prior years other than ordinary adjustments of a recurring nature, such as unusual debit adjustments and assessments of Federal income taxes of prior years, unusual adjustments of reserves of prior years determined to be deficient, and similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year. (See account 551, "Miscellaneous income charges".)

(b) This account shall also include charges which reduce or write off discount on capital stock issued by the company, but only to the extent that such charges exceed credit balances in capital surplus for shares reacquired.

(c) This account may also include losses and debit adjustments not provided for elsewhere resulting from unusual transactions and events which occurred during the current year, such as losses resulting from abnormal floods, storms, and similar calamities or catastrophes, but only after such inclusion has been authorized by the Commission.

(d) Ordinary adjustments of a recurring nature shall be included in the same account which would have been charged if the item had been taken up or adjusted in the year to which it pertained.

617 Federal Income Taxes Assigned to Retained Income.

This account shall include the estimated Federal income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary, and are recorded in retained income accounts.

620 Appropriations for Sinking and Other Reserve Funds.

This account shall be charged and account 797, "Retained income—Appropriated," shall be credited with amounts appropriated pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts requiring payments into sinking funds, capital funds, and other funds.

621 Appropriations for Other Purposes.

This account shall be charged and account 797, "Retained income—Appropriated," shall be credited with the amount of appropriations for general contingencies, indefinite possible future losses and other corporate purposes not provided for elsewhere. The appropriations shall be released when their respective purposes have been served.

622 Appropriations Released.

This account is provided to return to unappropriated retained income the amount of appropriations no longer required as segregations of retained income. The account shall be subdivided to show the nature of the appropriations being released and the circumstances of the release shall be fully described.

623 Dividends.

This account shall be charged with the amount of dividends declared on actually outstanding capital stock issued or assumed by the company. If the dividend is not payable in cash, the securities or other property to be distributed shall be described with sufficient particularity to identify the distribution. The account shall be subdivided to show separately the dividends declared on the various subclasses of capital stock.

NOTE: This account shall not include charges for dividends on capital stock issued or assumed by the company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

GENERAL BALANCE SHEET ACCOUNTS

Debit

701 Cash.

(a) This account shall include money, checks, sight drafts, and sight bills of exchange in the hands of the accounting company's financial officers and agents, or in transit from its agents and conductors for which such agents and conductors have received credit. It shall include, also, deposits with banks and trust companies available for use on demand, and savings accounts subject to the usual clause reserving the right to defer payment for a specified number of days.

(b) The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to this account. When the amount of such checks and drafts cannot be determined with absolute accuracy, an estimate of the amount shall be used.

702 Temporary Cash Investments.

This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

703 Special Deposits.

This account shall include funds specifically deposited for the payment of dividends, interest, and other current liabilities; also other deposits subject to current withdrawal for specific purposes only.

NOTE: Deposits available for general company purposes shall be included in account 701, "Cash."

704 Loans and Notes Receivable.

This account shall include the book value of all collectible obligations in the form of demand or time loans and notes receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue.

NOTE A: Obligations held as investments which mature more than one year after date of issue shall be included in accounts 721, "Investments in affiliated companies"; or 722, "Other investments," as may be appropriate.

NOTE B: Loans and notes receivable acquired for the purpose of temporarily investing cash shall be included in account 702, "Temporary cash investments."

705 Traffic and Car-Service Balances—Dr.

This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net debit.

NOTE A: When the net of the balances is a credit, it shall be included in account 752, "Traffic and car-service balances—Cr."

NOTE B: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

705 and 752(a) Interline freight, balance.
705 and 752(b) Interline passenger, balance.
705 and 752(c) Interline baggage, balance.
705 and 752(d) Equipment interchange, balance.

706 Net Balance Receivable from Agents and Conductors.

This account shall include the net balance due in current accounts from agents, from train, sleeping car, and dining car conductors, and from train collectors, train auditors, porters and other employees and representatives charged with the collection or custody of current revenues.

NOTE: Amounts advanced to general and special agents as working funds shall not be included in this account, but in account 710, "Working fund advances."

707 Miscellaneous Accounts Receivable.

This account shall include amounts due in audited accounts considered good, such as those due from the United States or other Governments for the transportation of mails and Government property, and from express companies for express facilities furnished under contract; amounts due from other carriers on account of freight claims paid; miscellaneous bills against other railway companies, corporations, firms, and individuals; and other similar items.

NOTE: The amount to be entered in this account is not the net balance between this account and account 754, "Miscellaneous accounts payable."

708 Interest and Dividends Receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned and on loans made, the amount of dividends declared on stocks owned, and dividends accrued on such stocks when contracts require that the dividends be paid at stated times.

NOTE A: No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

NOTE C: If settlement of amounts included in this account is not made when due either in cash or with other tangible assets of equal money value, such amounts shall be cleared from this account and charged to the income account originally credited. If notes are taken in settlement of amounts included in this account, the amounts thereof shall be charged to account 704, "Loans and notes receivable," or account 741, "Other assets," as may be appropriate, but such amounts shall not be credited to income (or if previously credited to income shall be cleared therefrom as provided in the first sentence of this note), unless inclusion therein is justified by the current asset position of the obligor. If such notes are of doubtful value, the amount at which they are charged to account 741, "Other assets," shall be credited to account 784, "Other deferred credits," and income shall not be credited until payment is received, and then only with the amount collected. If long-term notes are taken in settlement of current assets, the credit to income shall be cancelled and account 741, "Other assets," shall be charged with their true values, and a like sum shall be credited to account 784, "Other deferred credits."

709 Accrued Accounts Receivable.

This account shall include estimates of all unaudited current items receivable by the carrier to the date of the balance sheet, including those which are creditable to revenue, expense, or income accounts in accordance with the instruction relating to unaudited items. Among the items which shall be included in this account are:

Rents receivable which are not includible in account 707, "Miscellaneous accounts receivable."

Amounts receivable from others for unreported interline traffic.

Amounts receivable from others for use of facilities, including equipment, for which bills have not been rendered.

Amounts receivable from others for services for which bills have not been rendered.

710 Working Fund Advances.

This account shall include amounts advanced to general and special agents, and to other officers and employees, as working funds from which certain expenditures are to be made and accounted for. It also includes advances to fast freight lines and to demurrage and other bureaus.

NOTE: Advances to jointly owned or used terminal companies and other companies for permanent working funds or capital purposes shall be included in accounts 721, "Investments in affiliated companies," or 722, "Other investments," as may be appropriate.

711 Prepayments.

This account shall include the balances in the accounts representing short-term prepaid rents chargeable to the appropriate rent accounts as the term is consumed for which the rents are paid; also short-term interest and insurance premiums paid in advance of their accrual, which are to be apportioned and charged, as they accrue, to the appropriate accounts.

NOTE: Expenditures by a carrier for improvements to office buildings and other facilities rented for more than one year, title to which will pass to the lessor at the end of the rental period, shall be charged to account 743, "Other deferred charges," and amortized over the rental period as additional rent.

712 Material and Supplies.

(a) This account shall include the balances representing the cost, less depreciation, if any, of all unapplied material, such as road and shop material, articles in process of manufacture by the accounting company, fuel, stationery, and dining car and other supplies. In determining the cost of material and supplies suitable allowance shall be made for any discounts allowed in the purchase thereof.

(b) Material and supplies shall be credited to this account and charged to the appropriate operating expense or other account on the basis of actual costs, average cost, or other recognized pricing system, provided that such system is con-

sistently applied and is based on the cost of such material and supplies.

(c) An inventory of material and supplies shall be taken during each calendar year and the necessary adjustments to bring this account into harmony with the actual inventory balances shall be made in the accounts of the year in which the inventories are taken. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory.

NOTE: Balances representing the cost of unapplied construction material and supplies located at the point of use, which have been purchased for projected new roads and extensions, or for new railroad equipment, are provided for in road and equipment account 47, "Unapplied construction material and supplies," or account 59, "Unapplied material and supplies—Equipment."

713 Other Current Assets.

This account shall include items of current assets not covered by accounts 701 to 712, inclusive. The account shall include only items currently collectible and shall not include amounts the current collection of which is not reasonably assured and may be deferred. (See instruction 6–1.)

715 Sinking Funds.

(a) This account shall include the amount of cash, the ledger value of live securities of other companies, and other assets which are held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations, including such assets so held in the hands of the accounting company's treasurer when the assets are segregated in a distinct fund.

(b) The account shall include amounts deposited with trustees on account of mortgaged property sold, the proceeds of which are to be held for the redemption of securities; and also the par value (or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto) of live securities issued or assumed by the accounting company and held in such funds.

(c) A separate account shall be kept for each fund. The title of each such account shall designate the obligation in support of which the fund is created.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value (or with respect to no par stock the amounts recorded in account 791, "Capital stock issued," relating thereto) of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

716 Capital and Other Reserve Funds.

(a) This account shall include cash and the ledger value of other assets held by trustees or by the accounting company's treasurer when segregated in distinct funds that have been (1) realized from the sale of equipment obligations or other long-term obligations and not yet applied toward the specific purposes for which the obligations were incurred, and (2) set aside in accordance with governmental, mortgage, or contractual requirements in connection with reorganizations or otherwise. This account shall also include funds deposited with trustees to be held until mortgaged property sold is replaced.

(b) An appropriate record shall be maintained for securities issued or assumed by the accounting company and held in the funds, identifying those that are nominally issued or nominally outstanding.

NOTE A: Funds specifically set aside for sinking fund purposes shall be included in account 715, "Sinking funds." If one purpose of a capital fund is to provide contributions to a sinking fund under specified conditions, the entire amount of the fund shall be included in this account until the contributions to the sinking fund are made, at which time the amounts thereof shall be transferred to account 715.

NOTE B: The ledger value of assets of the character indicated in paragraph (a)(2) of this section, shall be transferred to the appropriate current asset account when the assets are definitely assigned in advance of expenditure to the payment of interest or other current liabilities payable within one year.

NOTE C: Bank deposits subject to current withdrawals for specific purposes only, shall be included in account 703, "Special deposits,". Deposits available for general company purposes shall be included in account 701, "Cash."

717 Insurance and Other Funds.

This account shall include the amount of cash and the ledger value of securities of other companies and other assets which are in the hands of trustees or managers of insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value (or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto) of securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

NOTE A: Sinking funds and capital and other reserve funds are provided for in accounts 715 and 716, respectively.

NOTE B: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value (or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto) of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

NOTE C: This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

NOTE D: Bank deposits subject to current withdrawal for specific purposes only, shall be included in account 703, "Special deposits." Deposits available for general company purposes shall be included in account 701, "Cash."

721 Investments in Affiliated Companies.

(a) This account shall include the ledger value of the accounting company's investment in securities issued or assumed by affiliated companies other than securities held in special deposits or special funds, and also investment advances made to affiliated companies.

(b) This account shall be maintained in such manner as to show each of the following classes of investment in each affiliated company:

(a) Stocks.
(b) Bonds.
(c) Other secured obligations.
(d) Unsecured notes.
(e) Investment advances.

(c) A complete record of securities pledged shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the annual report to the Commission.

NOTE A: Accounts with affiliated companies which are subject to *current settlement*, if their collection is reasonably assured, shall be classed as current assets, and if settlement is deferred beyond one year such items shall be transferred to account 741 "Other assets."

NOTE B: The term affiliated companies (also see Definition 4) includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" (also see Definition 8) is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 715, "Sinking funds," 716, "Capital and other reserve funds," or 717, "Insurance and other funds," as may be appropriate.

722 Other Investments.

(a) This account should include the ledger value of the accounting company's investment in securities issued or assumed by nonaffiliated companies other than securities held in special deposits or special funds; also investment advances made to nonaffiliated companies and to individuals.

(b) This account shall be maintained in such manner as to show each of the following classes of investment in each nonaffiliated company:

(a) Stocks.
(b) Bonds.
(c) Other secured obligations.
(d) Unsecured notes.
(e) Investment advances.

(c) A complete record of securities pledged shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the annual report to the Commission.

NOTE A: Accounts with nonaffiliated companies which are subject to *current settlement*, if their collection is reasonably assured, shall be classed as current assets, and if settlement is deferred beyond one year such items shall be transferred to account 741, "Other assets."

NOTE B: The term "nonaffiliated companies" includes all companies other than those defined as affiliated in Note B of account 721, "Investments in affiliated companies."

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 715, "Sinking funds," 716, "Capital and other reserve funds," or 717, "Insurance and other funds," as may be appropriate.

723 Reserve for Adjustment of Investment in Securities—Cr.

(a) This account shall include the total of the balances in such reserves as are maintained by the accounting company for the purpose of providing for reductions in the value of securities owned and recorded in accounts 721, "Investments in affiliated companies," or 722, "Other investments." Corresponding charges shall be made to account 551, "Miscellaneous income charges," or account 616, "Other debits to retained income," as appropriate.

(b) If reserves are maintained in provision for anticipated losses in specific securities, when the related assets are written down or written off, or are sold or otherwise disposed of at a loss, the reduction in the book value or the losses sustained shall be charged to this account to the extent of the credit balance in the account applicable to the particular securities involved, and the remainder, if any, shall be charged to account 551, "Miscellaneous income charges," or account 616, "Other debits to retained income," as appropriate. In case a general reserve for losses in unspecified security values is maintained, all such losses resulting from write-downs, write-offs, etc., shall be charged to this account to the extent of the total credit balance in the account, and the remainder, if any, shall be charged to account 551, "Miscellaneous income charges," or account 616, "Other debits to retained income," as appropriate.

731 Road and Equipment Property.

This account shall include the accounting company's investment in road and equipment (including that held under contract for purchase), used or held for use as transportation property in existence at the date of the balance sheet. When property is retired from service this account shall be credited with the ledger value of the property retired.

NOTE A: This account shall not include any items representing titles to securities.

NOTE B: When any equipment is acquired under an agreement which provides that the cost shall be paid in installments, the cost (its money value at time of purchase) shall be charged to the appropriate road and equipment accounts at the time the equipment is delivered to the carrier, and included in this account in the same manner as the cost of equipment purchased outright. When the par value of notes or other securities issued in payment, or in part payment, for such equipment is more (or less) than the actual cash value of the equipment at the time of the purchase, or of the proportion to which the securities are applicable, the difference between the par value of the securities and the actual cash value of the equipment, or of the proportion paid for by the securities, shall be charged (or credited) to the proper discount and premium accounts.

NOTE C: Held for use, as referred to above, implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

732 Improvements on Leased Property.

(a) This account shall include the cost of improvements made by the lessee to property which is held under lease from others or through control of the company owning the property, where such improvements are used by the lessee in transportation service, and the lessee is not to be reimbursed by the lessor for such improvements. (See instruction 2–17.)

(b) The carrier's records shall be kept in such manner as to show the debits and credits to this account in accordance with the provisions for road and equipment.

NOTE A: This account shall not include any items representing titles to securities.

NOTE B: When the lessor company includes in account 731, "Road and equipment property," the cost of improvements made by the lessee to property leased by it from the lessor and settlement is not made at the time for the cost thereof, the lessee, pending settlement with the lessor, shall include the cost thereof in account 721, "Investments in affiliated companies," or 722, "Other investments," as may be appropriate.

735 Accrued Depreciation; Road and Equipment.

(a) This account shall be credited with amounts concurrently charged to operating expenses or other authorized accounts to cover the loss in service value of depreciable road and equipment property. It shall also include amounts which the Commission may authorize the accounting company to charge to account 616, "Other debits to retained income," in respect to past accruals of depreciation.

(b) The service value of each unit of property retired (and also of each minor item, less than a unit, retired and not replaced) for which depreciation reserve has been established shall be charged to this account.

(c) Comprehensive instructions pertaining to depreciation accounts, rates of depreciation, and records to be maintained, are contained in instruction 5.

736 Amortization of Defense Projects; Road and Equipment.

This account shall include the amounts of accumulated past provisions for amortization of road and equipment defense projects, the cost of which is included in account 731, "Road and equipment property," or account 732, "Improvements on leased property." This account shall be charged with the credit balance herein applicable to specific property at the time the property is retired. The accounting company shall maintain subaccounts separately for amortization of (1) road property and (2) equipment.

737 Miscellaneous Physical Property.

This account shall include the accounting company's investment in physical property other than property assignable to accounts 731 and 732, including hotels, restaurants, powerplants, etc., which are not operated by the accounting company or another carrier in connection with its transportation service.

ITEMS OF INVESTMENT

Coal and other mines.
Commercial power plants.
Hotels and restaurants.
Lands and buildings not used in transportation operations.
Lands and other property acquired and held in anticipation of future use.
Mineral and timber lands.
Rails and other track material leased to others.
Saw mills and other manufacturing plants not operated in connection with transportation service.

738 Accrued Depreciation; Miscellaneous Physical Property.

This account shall be credited with amounts charged to income or other authorized accounts to cover the depreciation of property the cost of which is included in account 737, "Miscellaneous physical property." When any miscellaneous physical property is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

741 Other Assets.

This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason. (See instruction 2–5.) This account also shall include other assets of doubtful value, collection of which within one year is not assured; also other deferred assets and miscellaneous assets not otherwise provided for in general balance sheet accounts. (See instruction 6–1.)

vision for anticipated losses in specific

be made of the property within a reasonable period of time.

cluded in account 731, "Road and equipment property," or account 732, "Im-

accounts. (See instruction 6–1.)

742 Unamortized Discount on Long-term Debt.

This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See instruction 6–3.)

743 Other Deferred Charges.

This account shall include the amount of debit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as freight claims paid when found to be correct, but in advance of investigation with other carriers; debit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operations of gravel pits," and "Operation of quarries;" unextinguished discount on short-term notes; unadjusted debit items not otherwise provided for and similar items the proper disposition of which is uncertain.

Credit

751 Loans and Notes Payable.

(a) This account shall include the balances representing obligations outstanding in the form of loans and notes payable or other similar evidences (except interest coupons) of indebtedness payable on demand or within a time not exceeding one year from date of issue.

(b) This account shall be kept in such form so as to show separately the amounts of notes payable within one year from date of issue that are secured by collateral.

NOTE: This account shall not include obligations which mature more than one year after date of issue, or demand or short-term notes issued to affiliated companies and includible in account 769, "Amounts payable to affiliated companies."

752 Traffic and Car-service Balances—Cr.

This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net credit.

NOTE A: When the net of the balances is a debit it shall be included in account 705, "Traffic and car-service balances—Dr."

NOTE B: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

705 and 752(a) Interline freight, balance.
705 and 752(b) Interline passenger, balance.
705 and 752(c) Interline baggage, balance.
705 and 752(d) Equipment interchanged, balance.

753 Audited Accounts and Wages Payable.

This account shall include the amount of audited vouchers or accounts and audited payrolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

NOTE: The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to account 701, "Cash".

754 Miscellaneous Accounts Payable.

This account shall include outstanding drafts drawn by station agents, outstanding drafts drawn on the company in settlement of freight claims, conductors' refund and extra-fare checks not presented for redemption, deposits of affiliated companies subject to current settlement, taxes collected from employees and others for the account of taxing agencies, and other items of the nature of demand liabilities not covered by accounts 751, 752, 753, 755 and 756.

NOTE A: The amount to be reported under this account is not the net balance between this account and account 707, "Miscellaneous accounts receivable."

NOTE B: The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to account 701, "Cash". When the amount of such checks and drafts cannot be determined with absolute accuracy an estimate of the amount shall be used.

755 Interest Matured Unpaid.

This account shall include the amount of matured and unpaid interest on funded debt, and other obligations of the accounting company for which provision has been made for current settlement. Interest which matures on the first day following that for which the balance sheet is made shall be included in this account.

NOTE: Interest matured unpaid on nonnegotiable debt to affiliated companies, if not subject to current settlement, shall be included in account 769, "Amounts payable to affiliated companies."

756 Dividends Matured Unpaid.

This account shall include the amount of dividends payable on capital stock but unpaid, uncalled for, or unclaimed at the date of the balance sheet. Dividends which become payable on the first day following that for which the balance sheet is made shall be included in this account.

757 Unmatured Interest Accrued.

This account shall include the amount of interest subject to current settlement accrued to the date as of which the balance sheet is made, but not payable until after the first day following that date, on funded securities or obligations, debt in

default, receivers' and trustees' securities, amounts payable to affiliated companies, notes payable and other indebtedness issued or assumed by the accounting company.

NOTE A: Interest accrued which is not paid when it matures shall be included in account 781, "Interest in default", unless provision has been made for current settlement. Where interest is in default, subsequent accruals shall be credited direct to account 781, "Interest in default."

NOTE B: Interest accrued on amounts recorded in account 769, "Amounts payable to affiliated companies," and not subject to current settlement, shall be included in that account.

758 Unmatured Dividends Declared.

This account shall include dividends declared on capital stock, but not payable until after the first day following the date of the balance sheet.

759 Accrued Accounts Payable.

This account shall include estimates of unaudited items payable by the carrier to the date of the balance sheet, including those which are chargeable to revenue, expense, or income accounts in accordance with the instruction relating to unaudited items. Among the items which should be included in this account are:

Rents payable under leases due subsequent to the date of the balance sheet which are not includible in account 754, "Miscellaneous accounts payable."

Amounts payable to others for unreported interline traffic.

Amounts payable to others for use of facilities, including equipment, for which bills have not been rendered.

Amounts payable to others for services for which bills have not been rendered.

Estimated amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items.

Amounts payable (estimated if necessary) within one year pursuant to agreements with labor organizations or otherwise for employees vacations now earned.

760 Federal Income Taxes Accrued.

This account shall be credited with the estimated liability for Federal income taxes which has been concurrently charged to the appropriate income or other authorized accounts.

761 Other Taxes Accrued.

(a) This account shall be credited with the accruals of all taxes, other than Federal income taxes, which have been concurrently charged to the appropriate income or other accounts for taxes. Such accruals may be based upon estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the carrier's estimate of its unpaid liability for each of the several classes of taxes which have not been finally settled.

(b) This account shall be charged with vouchers for the current payment of taxes, including taxes paid in advance and also taxes for which accruals have not been made previously, but are to be credited to this account.

(c) The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

763 Other Current Liabilities.

There shall be included in this account the principal amount of unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements, also the principal amount of unpresented funded debt obligations, and receivers' and trustees' securities which have matured (for which provision has been made for current settlement), and other current liabilities not covered by accounts 751 to 761, inclusive.

764 Equipment Obligations and Other Debt Due Within One Year.

This account shall include the total amount of bonds, equipment obligations, and other long-term debt obligations, including obligations maturing serially or payable in installments, which are due and payable within one year, and for which arrangements for refunding have not been made or for which no sinking funds have been provided. This account shall be subdivided according to the different classes of debt so maturing.

765 Funded Debt Unmatured.

(a) This account shall include the total par value of unmatured debt (other than equipment obligations), maturing more than one year from the close of the accounting period, whether the securities were issued by the accounting company or the payment was assumed by the accounting company after being issued as the debt of other companies. (See account 764, "Equipment obligations and other debt due within one year".)

(b) The amounts included in this account shall be divided so as to show the par value of (1) certificates or other evidences of funded debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and (2) certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

(c) The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(1) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(2) *Collateral trust bonds.* Bonds and notes secured by a lien on securities or other negotiable paper; and stock trust certificates that are similar in character to collateral trust bonds.

(3) *Income bonds.* Bonds which are a lien on a carrier's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(4) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed and other similar obligations maturing more than one year from date of issue, but excluding liabilities for assessments for public improvements and those evidenced by conditional or deferred equipment purchase contracts for which provision is made in account 782, "Other liabilities," and account 766, "Equipment obligations," respectively.

(5) *Receipts outstanding for funded debt.* Receipts for payments on account of funded debt. When certificates are issued for such payments, the par value shall be included in the account covering the class of funded debt for which the certificates are issued.

(d) Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

(e) Records shall be maintained in such manner as to show (1) securities the issuance or assumption of which has been authorized by the Commission under provisions of the Interstate Commerce Act, and similar securities issued or assumed prior to the effective date of such provisions of the Act, and (2) other obligations of a kind which may legally be issued or assumed without such authorization.

NOTE A: Securities (other than equipment obligations) maturing one year or less from date of issue shall be included in accounts 769, "Amounts payable to affiliated companies," or 751, "Loans and notes payable," except that where an issue of securities maturing serially over a period of years contains short-term obligations such obligations may be included as funded debt. Matured funded debt shall be included in account 763, "Other current liabilities," if provision has been made for current settlement. If no provision has been made for current settlement, matured funded debt shall be included in account 768, "Debt in default," except that when the collection of matured funded debt of affiliated companies is not enforced by controlling companies, the principal amount (to the extent held by a controlling company) shall be included in account 769, "Amounts payable to affiliated companies."

NOTE B: See definitions 2, actually issued; 3, actually outstanding; 14, nominally issued; and 15, nominally outstanding.

NOTE C: Nonnegotiable notes having a maturity of more than one year after date of issue, held by affiliated companies, shall be included in account 769, "Amounts payable to affiliated companies."

NOTE D: Securities nominally issued or reacquired and held in the company's treasury, except securities held by trustees in sinking or other funds, shall be included in a subdivision of this account. In the general balance-sheet statement the total unmatured funded debt included in the account shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

766 Equipment Obligations.

(a) This account shall include the par value of equipment securities and the

principal amount of contractual obligations for the purchase of equipment, excluding principal or obligations maturing serially or payable in installments within one year from the close of the accounting period. (See account 764, "Equipment obligations and other debt due within one year.") The amounts included herein shall be divided as follows:

(b) Principal amount of equipment securities including those maturing serially, issued or assumed by the accounting company or by receivers and trustees, which have been authorized by the Commission under provisions of the Interstate Commerce Act and similar securities issued or assumed prior to the effective date of such provisions of the Act.

(c) Principal sums of obligations for equipment purchased under conditional or deferred payment contracts, which may be legally entered into or assumed by the accounting company or by receivers and trustees, without authorization by the Commission.

767 Receivers' and Trustees' Securities.

When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court issue or assume evidences of indebtedness (other than equipment securities or obligations) the par value of such evidences shall be credited to this account.

NOTE: The par value of equipment securities or the principal amount of obligations incurred for the purchase of equipment under conditional or deferred payment contracts shall be included in account 766, "Equipment obligations."

768 Debt in Default.

This account shall include amounts transferred from other accounts representing matured funded securities or obligations, receivers' and trustees' securities, equipment obligations and short-term notes, when maturity dates of such obligations have not been extended.

NOTE A: The principal amount of matured funded debt of affiliated companies the collection of which is not enforced by the controlling company shall (to the extent of the principal amount held by the controlling company) be included in account 769, "Amounts payable to affiliated companies."

NOTE B: The principal amount of unpresented funded debt obligations which have matured, and for which provision has been made for payment shall be included in account 763, "Other current liabilities."

769 Amounts Payable to Affiliated Companies.

This account shall include the par value of *nonnegotiable* notes issued to affiliated companies; also matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension as to time of payment and collection of the principal is not enforced; credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes, matured funded debt of affiliated companies and open accounts included in this account, when such interest is not subject to current settlements. The amounts included herein shall be divided as follows:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Par value of matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension of time and collection is not enforced.

(c) Open accounts not subject to current settlement.

(d) Interest accrued on amounts included in this account when not subject to current settlements.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No item shall be included in this account which is not known to be the property of an affiliated company.

NOTE C: The term "affiliated companies" includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement. (See Definition 4.)

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" (See Definition 8) is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

771 Pension and Welfare Reserves.

(a) This account shall include the credit balances representing the liability of the carrier for amounts provided by charges to operating expenses, including amounts contributed by employees, irrespective of whether carried in special funds or in general funds of the carrier, for pensions, accident and death benefits, savings, relief, hospital, or other provident purposes.

(b) Separate subaccounts shall be kept for each kind of reserve created, and the appropriate reserve shall be charged when payments are made to retired employees, or disbursements are made for the purposes for which the reserves were created.

772 Insurance Reserves.

This account shall include the accumulated balance of amounts for self-carried insurance risks representing premiums which were charged to operating expenses for fire, fidelity, boiler, casualty, burglar and other insurance. Losses on items protected by such insurance shall be charged to this account.

773 Equalization Reserves.

This account shall include ledger balances representing reserves created by charges to operating expenses for maintenance of road and equipment under a program designed to equalize such expenses by months within a calendar year. The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

774 Casualty and Other Reserves.

(a) This account shall include reserves created by charges to operating expenses to provide for estimated liability for injuries to persons and loss and damage claims; estimated liability for revenue overcharges, such as those covered by reparation claims; and reserves not otherwise provided for in balance sheet accounts.

(b) Estimates of amounts payble within one year covering liability for claims for injuries to persons, loss and damage, and similar items, shall be transferred from this account to account 759, "Accrued accounts payable."

NOTE: With respect to injuries to persons and loss and damage claims, if the settlements when audited are charged to this account the balances for each year shall be kept separately until all items have been adjusted and cleared, but, if the settlements when audited are charged to the appropriate expense accounts the balance in this account shall be adjusted through the appropriate expense accounts so as to reflect the probable liability at the close of each year.

781 Interest in Default.

This account shall include the amount of matured and unpaid interest (for which no provision has been made for current settlement) on all indebtedness issued or assumed by the accounting company except interest which is added to the principal of the debt on which incurred. Where interest is in default, subsequent accruals shall be credited direct to this account.

782 Other Liabilities.

This account shall include assessments for public improvements; retained amounts due governmental agencies for construction work; percentages due contractors to be paid upon completion of contracts; deposits for construction of side tracks to be refunded on basis of an agreed portion of the earnings from the

traffic handled over the tracks and similar liabilities not payable within one year. This account shall also include other deferred liabilities and liabilities not otherwise provided for in general balance sheet accounts. Assessments for public improvements and amounts due governmental agencies and others for payments to be made within one year, shall be included in account 763, "Other current liabilities," or other appropriate current liability account.

783 Unamortized Premium on Long-term Debt.

This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt.

784 Other Deferred Credits.

This account shall include the amount of credit balances in suspense accounts that cannot be disposed of until services are performed or additional information is received, such as amounts received from sale of mileage tickets, to be disposed of as mileage is honored; amounts received from sales of excess baggage script, to be disposed of as coupons are honored; interchangeable mileage credential ticket redemption funds, amounts collected from the sale of damaged, unclaimed, and over freight held pending final disposition; credit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operating gravel pits," and "Operating quarries"; unadjusted credit items not otherwise provided for; and similar items, the proper disposition of which is uncertain.

NOTE: Estimated liability for claims and other accounts payable currently are includible in account 759, "Accrued accounts payable."

785 Accrued Depreciation; Leased Property.

(a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the estimated accrued depreciation on leased road and equipment when settlements between the accounting company and the lessor are not made currently. It shall also be credited with depreciation accrued on property the cost of which is included in account 732, "Improvements on leased property."

(b) When leased property for which accruals have been included in this account is retired from service, the entire service value of property the cost of which has been charged to account 732 by the lessee shall be charged to this account. This account shall also be charged with the service value of property, the ledger value of which is carried in account 731, "Road and equipment property," by the lessor for which the lessee is liable to the lessor. See instruction 2–17.

791 Capital Stock Issued.

(a) This account shall include the total par value of par value stock, and the total amount paid in or the amount approved by the Commission for stock without par value, for all shares of capital stock or other form of proprietary interest in the accounting company which have been issued to bona fide purchasers and have not been reacquired and canceled, also shares of stock nominally issued, and reacquired shares which have not been canceled.

(b) This account also shall include amounts transferred from retained income for no par stock when approved by the Commission.

(c) The amount of the consideration received from the sale of par value stock in excess of the amount credited to this account shall be credited to account 794, "Premiums and assessments on capital stock".

(d) When capital stock is retired or canceled, this account shall be charged with the amount at which such stock is carried in this account. In the case of no par stock the amount to be charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the particular class and series of stock of which the reacquired shares are a part.

(e) The amounts included in this account shall be recorded so as to show: (1) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including shares nominally but never actually issued and (2) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock issued and actually outstanding, being the shares not held by the company, its agents, or trustees, or subject to its control.

(f) The amounts included herein shall be further divided so as to show the amount of each class of stock issued, separated as between par value and no par value stock, as follows:

(1) *Common stock.* Stocks which have no preference over other issues of stock in distribution of dividends or of assets.

(2) *Preferred stock.* Stocks having preference over other issues of stock in distribution of dividends or of assets.

(3) *Debenture stock.* Stocks issued under a contract to pay a specified return at specified intervals.

(4) *Receipts outstanding for installments paid.* Receipts for payments on account of subscriptions to capital stock.

(g) When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of stocks having par value or the agreed purchase price or the price authorized by the Commission of stock without par value shall be included in the division appropriate for the class for which the certificates are issued.

(h) Each of the above classes shall also be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which the securities may be retired.

NOTE A: When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to account 794, "Premiums and assessments on capital stock."

NOTE B: When capital stock having par value is exchanged for capital stock without par value any sums resting in account 794, "Premiums and assessments on capital stock," with respect thereto shall be cleared to account 791, "Capital stock issued," and any amounts resting in the discount account with respect thereto shall be cleared to account 795, "Paid-in surplus"; *Provided, however,* That any excess over the amount of accumulated net gains applicable to the subclass exchanged included in paid-in surplus shall be charged to account 616, "Other debits to retained income."

NOTE C: An appropriate record shall be maintained with respect to shares of capital stock showing the number of shares nominally issued, nominally outstanding, actually issued and actually outstanding.

NOTE D: See definitions 2, actually issued; 3, actually outstanding; 14, nominally issued; and 15, nominally outstanding.

NOTE E: Shares of stock nominally issued or reacquired and held in the company's treasury, except shares held by trustees in sinking or other funds, shall be included in a subdivision of this account. In the balance-sheet statement the balance in the subaccount shall be stated in the short column only.

792 Stock Liability for Conversion.

This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

793 Discount on Capital Stock.

This account shall include discount suffered in the issuance and sale of capital stock. Record supporting the entries to this account shall be kept to show the discount suffered, if any, on each subclass of capital stock.

794 Premiums and Assessments on Capital Stock.

(a) This account shall include the excess of the actual cash value (at the time of the sale of the stock) of the consideration received over the amounts recorded in account 791, "Capital stock issued," for par value stock plus accrued dividends, if any, also subsequent assessments against stockholders representing payments required in excess of par or other amounts recorded in account 791, "Capital stock issued," in accordance with the text of that account.

(b) When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be charged hereto.

795 Paid-in Surplus.

(a) This account shall include such items as amount of consent dividends on the accounting company's capital stock; surplus arising from donations by stockholders of capital stock of the company or other contribution to capital; amounts representing reduction of the par or recorded value of the accounting company's capital stock including reductions arising in merger of a railroad and pooling of interest; (see instruction 2–14

(d)) and amounts of forfeited subscriptions to the accounting company's capital stock. This account shall also include gains from the acquisition, retirement, or resale of reacquired shares of the accounting company's capital stock; and forgiveness by stockholders as a contribution to capital of long-term debt owed to them.

(b) This account shall be charged with amounts included herein when capitalized by stock dividends or otherwise with the approval of the Commission, and losses from retirement or resale of reacquired shares up to an amount not in excess of credits included herein applicable to the reacquired shares; and may be charged with the amortization of discount on capital stock to the extent of credits herein.

796 Other Capital Surplus.

This account shall include all capital surplus not provided for in account 795, "Paid-in surplus."

797 Retained Income; Appropriated.

This account shall include the accumulated amount of retained income which has been appropriated and set aside pursuant to provisions of mortgages, deeds of trust, reorganization plans, or other agreements requiring payments into capital funds, sinking funds, or other funds; and also appropriations for general contingencies, possible future losses and other corporate purposes. The account is to be subdivided by classes of appropriations showing the purpose for which each is made.

798 Retained Income; Unappropriated.

(a) This account shall include the net balance (debit or credit) of the amounts included in accounts 601 to 623, inclusive. It shall not include transfers either to or from accounts 795, "Paid-in surplus," or 796, "Other capital surplus," unless so authorized upon application to the Commission.

(b) Any balance representing retained income not segregated at the date of the balance sheet shall be included in a subdivision of this account.

(c) The balance of accounts 601 to 623, inclusive, shall be closed into this account at the end of each calendar year.

799 Form of General Balance Sheet Statement.

The classified form of general balance sheet statement is designed to show the financial condition of the accounting company at any specified date.

ASSETS

Current assets:
- 701. Cash.
- 702. Temporary cash investments.
- 703. Special deposits.
- 704. Loans and notes receivable.
- 705. Traffic and car-service balances—Dr.
- 706. Net balance receivable from agents and conductors.
- 707. Miscellaneous accounts receivable.
- 708. Interest and dividends receivable.
- 709. Accrued accounts receivable.
- 710. Working fund advances.
- 711. Prepayments.
- 712. Material and supplies.
- 713. Other current assets.

Total current assets.

Special funds:
- 715. Sinking funds.
- 716. Capital and other reserve funds.
- 717. Insurance and other funds.

Total special funds.

Investments:
- 721. Investments in affiliated companies.
- 722. Other investments.
- 723. Reserve for adjustment of investment in securities—Cr.

Total investments.

Properties:
- 731. Road and equipment property.
- 732. Improvements on leased property.

Total transportation property.
- 735. Accrued depreciation—Road and equipment.
- 736. Amortization of defense projects—Road and equipment.

Total transportation property less recorded depreciation and amortization.
- 737. Miscellaneous physical property.
- 738. Accrued depreciation — Miscellaneous physical property.

Miscellaneous physical property less recorded depreciation.

Total properties less recorded depreciation and amortization.

Other assets and deferred charges:
- 741. Other assets.
- 742. Unamortized discount on long-term debt.
- 743. Other deferred charges.

Total other assets and deferred charges.

Total assets.

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:
- 751. Loans and notes payable.
- 752. Traffic and car-service balances—Cr.
- 753. Audited accounts and wages payable.
- 754. Miscellaneous accounts payable.
- 755. Interest matured unpaid.
- 756. Dividends matured unpaid.
- 757. Unmatured interest accrued.
- 758. Unmatured dividends declared.
- 759. Accrued accounts payable.
- 760. Federal income taxes accrued.
- 761. Other taxes accrued.
- 763. Other current liabilities.

Total current liabilities (exclusive of long-term debt due within one year).

Long-term debt due within one year:
- 764. Equipment obligations and other debt.

Long-term debt: [1]
- 765. Funded debt unmatured.
- 766. Equipment obligations.
- 767. Receivers' and trustees' securities.
- 768. Debt in default.
- 769. Amounts payable to affiliated companies.

Total long-term debt.

Reserves:
- 771. Pension and welfare reserves.
- 772. Insurance reserves.
- 773. Equalization reserves.
- 774. Casualty and other reserves.

Total reserves.

Other liabilities and deferred credits:
- 781. Interest in default.
- 782. Other liabilities.
- 783. Unamortized premium on long-term debt.
- 784. Other deferred credits.
- 785. Accrued depreciation—Leased property.

Total other liabilities and deferred credits.

Shareholders' equity:

Capital stock (par or stated value):
- 791. Capital stock issued.[1]
- 792. Stock liability for conversion.
- 793. Discount on capital stock.

Total capital stock.

Captial surplus:
- 794. Premiums and assessments on capital stock.
- 795. Paid-in surplus.
- 796. Other capital surplus.

Total capital surplus.

Retained income:
- 797. Retained income—Appropriated.
- 798. Retained income—Unappropriated.

Total retained income.

Total shareholders' equity.

Total liabilities and shareholders' equity.

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[1] To be divided as to "Total issued" and "Held by or for company."

CLASSIFICATION OF MILEAGE ACCOUNTS

Train Miles

800 Rules and Definitions.

(a) A train is a unit of equipment, or a combination of units of equipment (exclusive of light locomotives), in condition for movement over tracks by self-contained motor equipment. A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A light locomotive is a locomotive in condition for movement by its own motor equipment, uncoupled to cars, work equipment, or dead locomotives. A motor car is a self-propelled unit of equipment designed to carry freight or passenger traffic, and is not to be considered a locomotive.

(b) A train-mile is the movement of a train a distance of one mile.

(c) In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as one mile.

(d) Transportation service train-miles shall be based on the actual distance run between terminals, and stations, and shall be computed from the official timetables or distance tables.

(e) Work service train-miles shall be based on the actual distance run between terminals. When work trains are run between terminals and not ordered to work at some specified point or within specified working limits, the actual miles run shall be allowed to them, the same as to any other class of trains. When ordered to run to a certain point to work at that point or within specified working limits, the actual miles made while under running orders shall be allowed, and in addition an arbitrary mileage of six miles per hour for the time working at the point or within the working limits named. In computing such arbitrary mileage, fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour. Constructive miles on the basis of six miles per hour shall be allowed trains run for the purpose of removing snow when the actual miles of such trains are less than the constructive miles. No record is required of work-train miles on new roads, road extensions, or portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

(f) Each train and each section of a train run by a separate train crew shall be considered a separate train, whether hauled by one or more locomotives either the whole distance or a part of the distance between the train terminals. There shall be nothing added to this distance to cover running of locomotives from enginehouses to terminals, doubling hills, running for water, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains.

(g) When the carrier's trains, hauled by its locomotives and handled by its crews, are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run, and classified by it in its train-miles in accordance with the service performed.

(h) Separate accounts of train-miles shall be kept for trains hauled by locomotives and for trains moved by motor cars.

Train-Mile Accounts

TRANSPORTATION SERVICE [1]

801 Freight-train Miles.

(a) This account shall include miles run by all trains between terminals or stations for the transportation of revenue and company freight; also miles run by trains consisting of empty freight cars, and by trains consisting of a locomotive and caboose running light in connection with such service.

(b) Trains which contain passenger-train cars shall be classed as freight trains whenever the number of freight-train cars is in excess of the number of passenger-train cars in them.

(c) Freight-train miles shall be subdivided as follows:

(1) Ordinary freight-train miles: Miles run by trains consisting of a locomotive, with or without caboose, with other equipment.

(2) Light freight-train miles: Miles run by trains consisting of a locomotive and caboose, running light in connection with freight-train service.

802 Passenger-train Miles.

(a) This account shall include miles run by revenue service trains to transport passengers, baggage, mail, milk, express, or any combination of these; also miles run by trains consisting of deadhead passenger equipment.

(b) Trains which contain freight-train cars shall be classed as passenger trains whenever the number of passenger-train cars is in excess of the number of freight-train cars in them.

NOTE: This account does not apply to trains run for the transportation of mail or milk upon the basis of authorized tariffs at rates based upon weight. The miles of such trains shall be classed as freight-train miles.

WORK SERVICE

805 Work-train Miles.

This account shall include miles run by trains engaged in company service, such as official, inspection, and pay trains; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save the carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking trains; trains run for the purpose of ditching, filling embankments, and widening cuts; trains run for the purpose of removing snow; trains distributing ties, rails, other track material, ballast, bridge material, and other material and supplies for maintenance or for additions and betterments; trains run for picking up and concentrating such material; and trains run for distributing material and supplies for use in connection with operation.

NOTE A: The accounting for expenses of work-train service shall be in accordance with paragraph (c) of instruction 2–6, Components of construction cost, and instruction 3–1, Items to be charged, and other requirements of the accounting regulations for operating expenses.

NOTE B: No record is required of the miles of construction trains on new roads or road extensions, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

[1] These accounts shall include the miles of all revenue service trains, including trains which incidentally carry employees or company freight. They shall also include the miles of trains which are operated between terminals or stations to transport company freight, when the service is similar to that connected with the transportation of commercial freight and statistics of ton-miles are kept.

The trains here referred to are those the locomotive and train expenses of operating which are includible in the locomotive and train expense accounts in the primary accounts under account 370, Transportation; rail line.

Locomotive Miles

810 Rules and Definitions.

(a) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive-mile is a movement of a locomotive a distance of one mile, under its own power.

(b) In computing locomotive-miles fractions representing less than one-half mile shall be disregarded, and other fractions considered as one mile.

(c) All locomotive-miles made in hauling transportation service trains shall be based upon the actual distance run between terminals or stations, and shall be computed from the official time-tables or distance tables as prescribed for train-miles.

(d) Light-locomotive miles shall be based on the actual distance locomotives run, except that no light-locomotive miles shall be allowed for terminal service where the distance in one direction is less than one-half mile.

(e) Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(f) Train switching locomotive-miles shall be computed at the rate of six per hour for the time actually engaged in such service. In computing such arbitrary mileage fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour.

(g) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. In computing yard switching locomotive-miles, fractions representing less than one-half hour shall be disregarded, and other fractions considered as one hour.

(h) Work-train locomotive-miles shall be computed according to the rules prescribed for work-train miles. Miles of work locomotives employed in switching at shops for shop purposes, spotting cars in gravel pits, working with pile drivers, etc., shall be computed upon the basis of six miles per hour for the actual time in the service. In computing the time engaged fractions representing less than one-half hour shall be disregarded and other fractions considered one hour.

(i) The miles of new or generally repaired locomotives running light in breaking-in service shall not be included in the locomotive-mile accounts.

(j) No record is required of the miles of locomotives in construction service on new roads or road extensions, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

(k) A separate record shall be kept for miles of steam locomotives and for miles of other locomotives.

(l) Miles of motor cars shall not be classed as locomotive-miles.

Locomotive-Mile Accounts

TRANSPORTATION SERVICE; LINE [1]

811 Freight Locomotive-miles.

(a) This account shall include miles run by locomotives in freight-train service, the train-miles of which are includible in account 801, "Freight-train miles."

(b) Principal freight locomotive-miles: Miles run by locomotives principal to the train, between terminals or stations, with freight trains; also miles run by locomotives between terminals or stations, with cabooses, going to or returning from such service; and miles run in hauling the second cut of freight trains doubled over grades.

(c) Helper freight locomotive-miles: Miles run by locomotives as helpers over the division or that portion covered by the run, or on important grades, including double-headers, triple-headers, and pushers, regardless of whether on the head end, in the middle, or on the rear of the train.

(d) Light freight locomotive-miles: Miles run by locomotives light between terminals or stations in connection with freight-train service on account of unbalanced traffic; miles run light for hauling second cuts of trains doubled; miles run light between freight trains and next fuel station or water tank for fuel or water; miles run light to pick up or assist freight trains between terminals; miles run light by grade helpers in returning from assisting freight trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from freight-train service.

NOTE: No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and freight-train terminals is less than one-half mile.

812 Passenger Locomotive-miles.

(a) This account shall include miles run by locomotives in passenger-train service, the train-miles of which are includible in account 802, "Passenger-train miles."

[1] This account shall include the miles run by locomotives moving transportation service trains, and also miles run light in connection with such service.

(b) Principal passenger locomotive-miles: Miles run by locomotives principal to the train between terminals or stations, with passenger trains.

(c) Helper passenger locomotive-miles: Miles run by locomotives as helpers over the division, or that portion covered by the run, or on important grades.

(d) Light passenger locomotive-miles: Miles run by locomotives light between terminals or stations on account of unbalanced traffic, in connection with passenger-train service; miles run light between passenger trains and next fueling station or water tank for fuel or water; miles run light to pick up or assist a passenger train between terminals; miles run light by grade helpers in returning from assisting passenger trains as pushers or doubleheaders; and miles run light by locomotives coming from or going to enginehouses or turntables from passenger-train service.

NOTE: No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and passenger-train terminals is less than one-half mile.

TRANSPORTATION SERVICE; SWITCHING

815 Train Switching Locomotive-miles.

This account shall include miles allowed train locomotives for performing switching service at terminals and way stations. Include such items as switching at industry tracks, team tracks, freight house tracks, and interchange tracks; picking up or leaving cars en route; switching out bad order cars, weighing cars, making up or breaking up train at points where no yard service is maintained. No time should be included representing delays that may occur after yard switching has been completed such as waiting for a train order, held up account of meeting with a train in opposite direction, waiting for waybills or other time lost due to conditions other than actual train switching.

816 Yard Switching Locomotive-miles.

This account shall include miles allowed yard locomotives while switching in yards where regular switching service is maintained; also miles of switching locomotives running light between terminals and yards where regular switching service is maintained in connection with switching service in such yards. This account shall be subdivided as follows:

(a) Yard switching locomotive-miles; freight: Miles allowed yard locomotives in yards where regular switching service is maintained and in terminal switching and transfer service while engaged in switching cars in connection with the transportation of revenue freight; also miles allowed locomotives in such service while engaged incidentally in switching cars in connection with the transportation of company freight.

(b) Yard switching locomotive-miles; passenger: Miles allowed yard locomotives while switching cars in connection with passenger-train service.

NOTE: Where yard switching is performed for both freight and passenger service by the same locomotive, or by locomotives assigned to one yard, a fair approximation of the mileage may be assigned to each service daily or monthly.

WORK SERVICE

817 Work Service Locomotive-miles.

This account shall include the actual miles run by locomotives in work-train service as defined in account 805, "Work-train miles;" also miles of locomotives engaged solely in shop or material yard switching service.

NOTE A: Miles run by locomotives while engaged incidentally (in connection with regular yard switching service) in switching company material in company shop or material yards, or in switching equipment for repairs between yards and shops, shall be included in account 816, "Yard switching locomotive-miles."

NOTE B: Miles run by locomotives engaged in shop and material yard switching service, if operated by shop employees, shall not be included in this account.

Car Miles

820 Rules and Definitions.

(a) A car-mile is a movement of a unit of car equipment a distance of one mile.

(b) In computing car-miles, fractions representing less than one-half mile shall be disregarded, and other fractions considered as one mile.

(c) Separate accounts of car-miles shall be kept for the cars in trains hauled by locomotives and for the cars in trains moved by motor cars. The record of car-miles in trains moved by motor cars shall show separately the miles for motor cars and for cars not thus equipped.

Car-Mile Accounts

TRANSPORTATION SERVICE

821 Freight-train Car-miles.

(a) This account shall include the miles run by freight-train cars (including caboose cars) in transportation service. Such car-miles shall be subdivided as follows:

Loaded (run by loaded freight cars).
Empty (run by empty freight cars).
Caboose (run by caboose cars).

(b) This account shall be so kept as to show miles run in freight trains and in passenger trains separately.

(c) Miles run by flat cars loaded with empty railroad-owned or controlled highway trailers shall be classed as "empty" car-miles. Miles run by flat cars loaded with empty highway trailers, other than railroad-owned or controlled and moving on revenue billing, shall be classed as "loaded" car-miles.

822 Passenger-train Car-miles.

(a) This account shall include the actual miles run by passenger-train cars in transportation service. It shall include miles of loaded cars and also of empty cars deadheaded in connection with the service, and shall be subdivided as follows:

(1) *Coaches.* Miles run by coaches and chair cars in which passengers are carried at regular tariff fares without extra charge for space occupied.

(2) *Combination coach cars.* Miles run by combination passenger and baggage, passenger and mail, and passenger and express cars in which passengers are carried at regular tariff fares without extra charge for space occupied.

(3) *Sleeping and parlor cars.* Miles run by sleeping, parlor, and other cars for which an extra fare is charged for space occupied.

(4) *Dining, club, lounge, and observation cars.* Miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars without charge in excess of sleeping or parlor car fares.

(5) *Business cars.* Miles run by all railway business cars operated for the transportation of the carrier's officers and employees.

(6) *Other passenger-train cars.* Miles run by baggage, express, mail, milk, and postal cars, and by cars in which such services are combined. (This class includes no cars intended for the transportation of revenue passengers.)

(b) This account shall be so kept as to show miles run in freight trains and in passenger trains separately.

WORK SERVICE

825 Work Service Car-miles.

This account shall include miles run by cars in work trains, except by equipment which is designed exclusively for work service, such as snow plows, flangers, derricks, pile drivers, wrecking cranes, tool cars, and camp outfits. (For description of work train see account 805, "Work-train miles.")

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